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4 THE FISCAL YEAR 2015 U.S. DEPARTMENT OF ENERGY BUDGET

5 THURSDAY, APRIL 3, 2014

6 House of Representatives,

7 Subcommittee on Energy and Power

8 Committee on Energy and Commerce

9 Washington, D.C.

10 The subcommittee met, pursuant to call, at 10:06 a.m.,
11 in Room 2123 of the Rayburn House Office Building, Hon. Ed
12 Whitfield [Chairman of the Subcommittee] presiding.

13 Members present: Representatives Whitfield, Scalise,
14 Hall, Shimkus, Terry, Burgess, Latta, Cassidy, Olson,
15 McKinley, Gardner, Pompeo, Kinzinger, Griffith, Barton, Upton
16 (ex officio), Rush, McNerney, Tonko, Engel, Green, Capps,
17 Doyle, Barrow, Matsui, Christensen, Waxman (ex officio), and

18 Johnson.

19 Staff present: Nick Abraham, Legislative Clerk; Gary
20 Andres, Staff Director; Charlotte Baker, Deputy
21 Communications Director; Mike Bloomquist, General Counsel;
22 Sean Bonyun, Communications Director; Matt Bravo,
23 Professional Staff Member; Allison Busbee, Policy
24 Coordinator, Energy & Power; Annie Caputo, Professional Staff
25 Member; Patrick Currier, Counsel, Energy & Power; Tom
26 Hassenboehler; Chief Counsel, Energy & Power; Jason Knox,
27 Counsel, Energy & Power; Brandon Mooney, Professional Staff
28 Member; Mary Neumayr, Senior Energy Counsel; Peter Spencer,
29 Professional Staff Member, Oversight; Tom Wilbur, Digital
30 Media Advisor; Jeff Baran, Democratic Senior Counsel; Greg
31 Dotson, Democratic Staff Director, Energy and Environment;
32 Caitlin Haberman, Democratic Policy Analyst; and Bruce Ho,
33 Democratic Counsel.

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34 Mr. {Whitfield.} I would like to call the hearing to
35 order this morning. And today, we are going to be looking at
36 the fiscal year 2015 budget for the United States Department
37 of Energy. And of course, we are delighted that Secretary
38 Moniz is with us this morning. I know he has been very busy
39 on the Hill and the Senate side as well. And we really look
40 forward to his testimony today and to the opportunity to ask
41 questions regarding next year's Department of Energy's budget
42 request.

43 At this time, I would like to recognize myself for 5
44 minutes for an opening statement. DOE of course if tasked
45 with developing and implementing a coordinated national
46 energy policy, one that should further an all of the above
47 energy strategy. It should also be fostering private sector
48 competition and innovation of advanced energy technologies.
49 And national energy policy should also continue to support
50 job creation in our manufacturing renaissance by providing
51 regulatory certainty rather than overreaching regulations so
52 that we can maintain access to affordable, abundant and
53 reliable energy supplies.

54 I noticed that the DOE fiscal year 2015 budget request
55 9.8 billion dollars for DOE Science and Energy programs that
56 DOE states will play a key role in achieving the President's

57 climate action plan. In other words, over a third of the
58 entire 28 billion dollar budget is being allocated to the
59 President's climate agenda. This budget affirms the DOE is
60 putting the President's climate change agenda ahead of the
61 interest of a balanced national energy policy. Now, we can
62 debate that, but it is quite clear that the President's
63 climate change agenda is right at the top of the mission of
64 the DOE at this time. This mission is further evidenced by
65 the fact that the DOE's budget once again overwhelmingly
66 favors the Office of Energy Efficiency and Renewable Energy,
67 which houses all of the President's favorite green energy
68 programs. And in fact, the 2.3 billion requests there is
69 more than the combined budget requests for the Offices of
70 Electricity, Fossil Energy, Nuclear Energy and ARPA-E. In my
71 humble opinion, we have seen the Obama Administration waste
72 too much money on green energy projects that have failed.
73 Many have gone into bankruptcy at the expense to the
74 taxpayer.

75 Another issue that is of concern to me and many others
76 in the proposed is the substantially reduced funding for the
77 mixed oxide fuel fabrication facility, MOX, currently under
78 construction at Savannah River Site in South Carolina. In
79 the case of the MOX plant, DOE has decided to abandon
80 construction of the facility being built to eliminate 34 tons

81 of surplus weapons plutonium, a project that was initiated in
82 the Clinton Administration. At this point, 4 billion dollars
83 has already been spent, and the facility is 60 percent
84 complete. Yet, the Department has decided to shut down
85 construction. And it appears, without any record of decision
86 or any proposed alternative, or any analysis of the
87 ramifications. Now, maybe they are there, but maybe we just
88 haven't seen them yet. Congress appropriated funds for the
89 construction. But it is my understanding that DOE does
90 intend to use those funds instead to shut down the project,
91 resulting in 1,800 people at risk of being laid off at their
92 job. And it is disturbing because of what had happened at
93 Yucca Mountain; the money that was spent at Yucca Mountain,
94 that was stopped, the lawsuits that were filed as a result of
95 that, and the liability of the federal government under those
96 lawsuits. People who are concerned about our debt are
97 genuinely concerned about wasting that amount of money.

98 I want to thank Secretary Moniz for appearing with us
99 today on this budget. And as I said in the beginning, he has
100 been a real energetic Secretary of Energy. He is willing to
101 engage on these issues at any point. And it is good to have
102 open discussion with him. And I want to commend him for
103 that. We look forward to hearing his testimony and asking
104 him question about the budget. And at this time, I would

105 like to recognize the gentleman from Illinois, Mr. Rush, for
106 his 5 minute opening statement.

107 [The prepared statement of Mr. Whitfield follows:]

108 ***** COMMITTEE INSERT *****

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109 Mr. {Rush.} I want to thank you, Mr. Chairman. And I
110 want to thank you, Secretary Moniz, for being here today to
111 discuss DOE's fiscal year 2015 budget.

112 Secretary Moniz, I would like to commend you for
113 establishing the minority's and energy's initiative at DOE.
114 Following discussions where I express my strong and
115 overriding desire to increase minority participation and
116 involvement within all sectors of the energy industry. While
117 I believe that this is a first--a good first step, I have
118 some serious concerns regarding the amount of resources the
119 Agency is actually investing in this initiative, as evidenced
120 by your own budget proposal.

121 Mr. Secretary, to me, DOE's budget is a moral statement
122 of principles and a covenant with the American people. Mr.
123 Secretary, when I speak to my constituents about this new
124 initiative, one of the very first questions that they want to
125 know is how committed is DOE to this program, and how much of
126 the Department's vast resources is the Agency willing to
127 invest to ensure that this initiative achieves overwhelming
128 success?

129 Mr. Secretary, I am sure that you understand that in
130 minority communities around the country, there is always
131 skepticism when new programs or new policies are announced

132 supposing to help increase opportunity when the resources to
133 help make them successful are not included. So when members
134 who represent these communities, such as myself and many,
135 many others see a lack of investment in programs designed to
136 assist minorities, it is our duty to hold the Administration
137 and the Agencies responsible in order to rectify the
138 situation. For instance, Mr. Secretary, I am not impressed
139 with the investment in the minority and energy initiative as
140 it currently stands. And I want to work with you to make
141 sure that we are not shortchanging these communities who are
142 looking for opportunities to improve their livelihood, as so
143 many others have already been afforded.

144 And, Mr. Secretary, we know that these opportunities are
145 out there. In fact, we have come a long way since I first
146 inquired--first started inquiring into the levels of
147 participation of minorities in all different sectors of the
148 energy industry. And now we have the Administration, the
149 industry, schools, universities, and all--they are all
150 talking about the concept of increasing the number of
151 minorities in energy. As you know, I have a Bill that will
152 provide a pass way to energy jobs by reaching out to minority
153 communities and informing them of mostly opportunities
154 available within the energy sector, as well as the skills,
155 training and certifications needed to take advantage of these

156 opportunities. My office is actively reaching out to members
157 on both sides of the aisle who understand the need for better
158 preparing all Americans for energy jobs in the present and
159 the future. And I will continue to work with any and all
160 stakeholders who are of the same mind.

161 This is my hope, Mr. Chairman, that we can hold a
162 hearing on this very important topic of minority
163 participation in the energy sector in order to make up for
164 the shortfall of workers who will be retiring and exiting the
165 workforce, leaving behind a shortage of talented and skilled
166 workers in their wing. And the fact of the matter is that
167 increasing the number of skilled and trained workers will in
168 fact be a win for the industry, a win for the minority
169 communities and a win for the entire American economy as a
170 whole. So I look forward to working with you, Mr. Secretary,
171 as well as members on both sides of the aisle to make this a
172 real commitment on the part of the Administration and--

173 With that, I yield back.

174 [The prepared statement of Mr. Rush follows:]

175 ***** COMMITTEE INSERT *****

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176 Mr. {Whitfield.} The gentleman yields back. At this
177 time, I recognize the Chairman of the Full Committee, Mr.
178 Upton, for 5 minutes.

179 The {Chairman.} Well, Mr. Secretary, welcome back to
180 the Committee. I for one do appreciate your thoughtful
181 insight and friendship. And when I look at DOE's current
182 energy policies, as well as its budget for fiscal year 2015,
183 I must confess that I see an agency that is still struggling
184 a bit to keep up with a changing energy landscape. The old
185 assumptions of energy scarcity are somewhat pervasive, and it
186 is time for DOE to adapt.

187 It does appear that DOE is ultra-cautious approach to
188 proving LNG Export's--you would expect us to say this today--
189 to non-free trade agreement trade agreement countries does
190 not reflect our newfound age of energy abundance.
191 Projections from the EIA, as well as DOE's own analysis,
192 confirm that we have more than enough natural gas to meet
193 domestic needs affordably while supporting export markets.
194 And this surplus situation is likely to last for many
195 decades. The ramifications of DOE's policy on exports can be
196 measured not only in the thousands of unrealized jobs that
197 could be constructed at LNG Export facilities and producing
198 the extra natural gas for export, but also in the billions in

199 revenues that could be flowing into the country and boosting
200 the overall economy. Geo-political opportunities are also at
201 risk. The mere signal that the U.S. is serious about
202 entering export markets would have an immediate effect on our
203 allies in Eastern Europe who are currently dependent on that-
204 -on Russia for natural gas. In fact, reports earlier this
205 week show that Russia upped the bill by as much as 45 to 50
206 percent on our friends in Ukraine. That is why I and so many
207 others support Cory Gardner's Bill, H.R. 6, Bipartisan
208 Legislation, The Domestic Prosperity and Global Freedom Act,
209 which would help clear the backlog of export applications
210 currently at DOE.

211 LNG export facilities are just one part of the larger
212 infrastructure picture to make full use of our newfound
213 energy advantage in H.R. 6, is one Bill that facilities
214 building these--this architecture of abundance. We are in
215 the midst of a continued and comprehensive effort to review
216 and update energy laws, many of which were written in a time
217 of Jimmy Carter Era price controls and scarcity. And whether
218 it is legislation to modernize and update transmission and
219 distribution infrastructure, legislation to maintain adverse
220 electricity portfolio generation with a continued role for
221 coal and nuclear renewables, or legislation seeking or ensure
222 that we have the tools in place to permit a new manufacturing

223 renaissance, we are building a record and exploring
224 opportunities at every level.

225 Now, I know that DOE is beginning a similar effort to
226 look comprehensively at our energy infrastructure and broader
227 strategy through the quadrennial energy review process, and I
228 welcome that broad look. However, I remain skeptical of the
229 federal government playing venture capitalist in making other
230 decisions best left to the marketplace. DOE may be talking
231 about the energy breakthroughs of the future, but the Agency
232 is still trying to get there with central planning approaches
233 of the past. In particular, the revival of the loan
234 guarantee program that backs Solyndra and several other
235 projects that went bust is of serious concern and will no
236 doubt be a topic of discussion of today.

237 I would like to conclude just by reminding you of DOE's
238 role in the federal government. Yesterday, this Subcommittee
239 held its EPA budget hearing. And I couldn't help but notice
240 the extent to which EPA sets the energy policy agenda in the
241 Administration, even though that Agency has no statutory
242 authority to do so. DOE should be the energy policy setting
243 body, but it seems as though it has relinquished that duty to
244 a degree. In past administrations, both Republican and
245 Democratic, DOE acted as a pro-energy counterweight to an EPA
246 whose tendency was to regulate every BTU that it encountered.

247 I know that we can restore DOE's mission to ensure a more
248 balanced approach to the energy policy. And I yield back the
249 balance of my time.

250 [The prepared statement of Mr. Upton follows:]

251 ***** COMMITTEE INSERT *****

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252 Mr. {Whitfield.} Mr. Upton yields back the balance of
253 his time. At this time, I would like to recognize the
254 gentleman from California, Mr. Waxman, for 5 minutes.

255 Mr. {Waxman.} Thank you, Mr. Chairman. And, Mr.
256 Secretary, welcome back to our committee.

257 Last week, Geochemist James Lawrence Powell published a
258 study documenting the scientific consensus on climate change.
259 Dr. Powell who, among other things, served on the National
260 Science Board under both Presidents Reagan and George H. W.
261 Bush, looked at all the peer reviewed scientific articles
262 published on climate change in 2013. He found over 10,000
263 articles that agreed that climate change is real and caused
264 by man. And only 2 out of more than 10,000 that rejected
265 human caused global warming. You can see his results on the
266 screen.

267 [Slide].

268 Secretary Moniz, you may not know this, but we took a
269 vote on this issue earlier this year. Congresswoman
270 Schakowsky offered an amendment that said greenhouse gas
271 emissions threaten public health and welfare by disrupting
272 the climate. That was the statement. The Republican members
273 of this Committee voted unanimously to reject that amendment.
274 Just that statement. I have been in Congress for 40 years.

275 This is my last year in Congress. And I have never seen just
276 an embarrassing and dangerous disconnect between what
277 scientists say and how this Committee votes. On Monday, the
278 Intergovernmental Panel on Climate Change, or IPCC, told us
279 that climate change is happening today on ``all continents
280 across the oceans.'' The world's leading scientists explain
281 that unless we take significant steps to reduce carbon
282 pollution now, ``climate change impacts are projected to slow
283 down economic growth, make poverty reduction more difficult,
284 further erode food security, and prolong existing and create
285 new poverty traps.''

286 The science of climate change is settled. Climate
287 change is happening. It is caused by humans. And its
288 impacts are both serious and real. And it is time for us to
289 listen to the scientists and to act. I appreciate that we
290 have a President who does listen to the scientists and is
291 acting to address climate dangers. Under his Climate Action
292 Plan, President Obama has committed to reducing our carbon
293 pollution by 17 percent by 2020 and has outlined a number of
294 steps to do so. The President has committed to bend the
295 post-2020 global admissions trajectory further still.

296 The Department of Energy has a key role to play under
297 the President's plan. The energy choices we make today will
298 determine whether we address this threat or leave our

299 children and grandchildren with a climate catastrophe.

300 That means, Secretary Moniz, that you have one of the
301 most important jobs in America. I view the paramount
302 responsibility of the Secretary of Energy as advancing the
303 nation's response to the threat of climate change. That is
304 your responsibility as well as EPA's. And I don't think you
305 ought to be fighting a turf war with them, as some of our
306 colleagues here suggest. Under your leadership, the
307 Department of Energy is working to meet the climate
308 challenge. DOE is developing the energy efficiency standards
309 we need to cut energy waste and save people money. You are
310 engaged in research, development, demonstration and
311 deployment of advanced renewable energy technologies, cleaner
312 vehicles, energy storage and a modern electric grid that
313 delivers reliable clean energy to power our homes and
314 businesses. And you are hard at work developing next
315 generation pollution control technologies for our fossil fuel
316 systems. These new clean energy technologies will protect
317 our environment, create new jobs and grow our economy.

318 Mr. Secretary, the latest IPCC report confirms that we
319 have a choice. We could listen to the scientists and invest
320 in the energy technologies we need for a prosperous clean
321 energy future, or we could ignore the climate problem and
322 suffer dire consequences. Mr. Secretary, I am confident that

323 you will continue to help us choose the right path to a clean
324 energy future. I look forward to your testimony and your
325 continued leadership on these issues. Thank you.

326 [The prepared statement of Mr. Waxman follows:]

327 ***** COMMITTEE INSERT *****

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328 Mr. {Whitfield.} The gentleman yields back the balance
329 of his time. At this time, having completed the opening
330 statements, Secretary Moniz, we are going to recognize you
331 for your 5 minute opening statement. And once again, thank
332 you for being with us.

|
333 ^STATEMENT OF HONORABLE ERNEST J. MONIZ, SECRETARY, U.S.
334 DEPARTMENT OF ENERGY
|

335 } Mr. {Moniz.} Well, thank you, Mr. Chairman. And--I
336 should say Chairman Whitfield and Upton and Rush and Waxman.
337 Members of the Committee, I appreciate the opportunity to
338 come here to discuss our budget proposal for fiscal year
339 2015.

340 The President I think make clear through this proposal
341 that the Department of Energy has significant
342 responsibilities in the advancing the nation's security by--
343 especially by maintaining a reliable nuclear deterrent and
344 keeping nuclear materials out of the hands of terrorists, and
345 for advancing the nation's prosperity, in particular by
346 supporting the President's all of the above approach to
347 energy and by helping to provide the foundation for the
348 future of advanced manufacturing in this country.

349 Mr. {Whitfield.} Mr. Secretary, if I may? I am sorry
350 to interrupt you. Would you move the microphone just a
351 little bit closer to you?

352 Mr. {Moniz.} Oh, closer?

353 Mr. {Whitfield.} Yeah.

354 Mr. {Moniz.} Okay.

355 Mr. {Whitfield.} Thank you.

356 Mr. {Moniz.} Thank you. Okay. So the Department of
357 Energy's top line discretionary budget request is 27.9
358 billion, a 2.6 percent increase from fiscal year 2014. And
359 in this constrained budget environment, again, I think this
360 reflects some of the high priority missions that we have
361 responsibility for.

362 I will discuss very briefly a few points along DOE's
363 three major programmatic areas as we have organized them at
364 the under-secretary level, science and energy, which I
365 understand will be the main focus of today's discussions, and
366 a few words about nuclear security, and management and
367 performance.

368 On science and energy, the President's all of the above
369 energy strategy is driving economic growth, creating jobs
370 while lowering carbon emissions. We are producing more gas,
371 more natural gas in the United States than ever before. And
372 for the first time in two decades, we are producing more oil
373 at home than we import from the rest of the world. In fact,
374 just yesterday, the EIA released some data showing that net
375 energy imports in the United States now, which is about 13
376 quads, is the same as in 1987, 30 years ago. So it has been
377 a dramatic reduction. And in fact, more than a 10 percent
378 reduction just from 2012 to 2013.

379 We have also, at the same time, made remarkable progress
380 in clean and renewable energy. In the last 5 years, more
381 than doubled the amount of electricity from wind and solar.
382 At the same time, making the investments that enable coal and
383 nuclear power to be competitive in a clean energy economy.
384 We are aggressively advancing energy efficiency, bringing
385 economic environmental and security benefits.

386 In the last few years, we have seen technologies like
387 LED lighting costs drops sevenfold--several fold, excuse me,
388 such that payback periods are now approaching one year. So--
389 and along with that, tens of millions of units being deployed
390 in the marketplace.

391 The budget request is 9.8 billion, as the Chairman said,
392 for the science and energy activities, an increase of 5
393 percent for, again, advancing the all the above energy
394 strategy, supporting the climate action plan, continuing the
395 quadrennial energy review focusing on energy infrastructure,
396 and maintaining global scientific leadership.

397 There are significant increases in several important
398 applied programs. I will just say a couple words. In energy
399 efficiency renewable energy, a 22 percent increase is
400 proposed with focus areas in transportation, renewable
401 technology, efficiency, advanced manufacturing. Office of
402 electricity, significant increase to support what we all see

403 I think as important modernization of the grid, an
404 enhancement of its resiliency in response to many threats
405 that we are seeing. We are also building a strengthened
406 emergency response capability as the lead agency for energy
407 infrastructure under the leadership of FEMA in case of severe
408 events.

409 RPE , which takes a unique entrepreneurial approach, we
410 propose for a 16 percent increase, we would note that in its
411 relatively brief existence so far there have been 24 startups
412 coming out of the RPE programs, and many, many other
413 indicators of success. We also have created, as part of our
414 reorganization, the Office of Energy Policy and Systems
415 Analysis, mainly gathering policy elements from various
416 program offices, but with a particularly critical
417 responsibility for enhancing our analytical capacity and for
418 advancing the quadrennial energy review, looking at this
419 country's energy infrastructure challenges.

420 DOE science programs really are the backbone of the
421 American research enterprise and the physical sciences, and
422 we have proposed 5.1 billion dollars for science. As one
423 example, in conjunction with the NNSA, our National Security
424 Agency, the Office of Science will lead an initiative to
425 develop exascale computing platforms, the next stage in a
426 historic DOE role for keeping this country at the leadership

427 edge of high performance computing. And of course, the many
428 facilities that science supports, light sources, spallation
429 neutron source, the future facility for rare isotope beams,
430 all sustained nearly 30,000 scientists in this country with
431 cutting edge activities.

432 I mentioned cross cutting activities already, exascale
433 for example, grid, one other one, subsurface science and
434 engineering where we find many energy issues involve
435 subsurface science and engineering. We want to pull those
436 together, make them more coherent, involve our laboratories
437 as a system.

438 In nuclear security, I will just end up by saying we
439 have asked for 11.9 billion. I would say a highpoint there
440 is that through an administration wide process, we have
441 firmly committed to the nuclear posture review approach to
442 our nuclear deterrent, and that is stretched out a little bit
443 because of budget constraints, but it is committed to as our
444 direction there. In management performance, just
445 emphasizing, and I think this Committee would agree that if--
446 without improving our management performance, we will not be
447 able to as effectively for sure execute our energy science
448 and security missions. So this is a brand new--a new focus
449 under which we have moved environmental management to be a
450 specific responsibility of that under-secretary.

451 I will just mention maybe from the point of view of a
452 news item again, as you know we have had an issue at WIPP,
453 our facility in New Mexico. I just wanted to say that--
454 emphasize first that there is no evidence of any significant
455 exposures to people. But, obviously, we are shut down at the
456 moment. But yesterday, two teams did enter the caverns and
457 we hope to move expeditiously towards a reopening.

458 With that, I just want to thank you for your time and
459 look forward to questions.

460 [The prepared statement of Mr. Moniz follows:]

461 ***** INSERT A *****

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462 Mr. {Whitfield.} Well, thank you, Mr. Secretary. Once
463 again, we appreciate you being here. At this time, I will
464 recognize myself for 5 minutes of questions. And while there
465 are many broader policy concerns that I have, I do want to
466 focus initially on the Paducah Gaseous Diffusion Plant,
467 because there is so many--it is going through a transition
468 down there.

469 And one question I would like to ask you is this--of
470 course communication between the State of Kentucky, the City
471 of Paducah and the Department of Energy is vitally important.
472 And with all the changes taking place, the Paducah site has
473 not really had a director or a lead that is really focused on
474 that one area onsite. And we have had some previous
475 discussions about this. But could you share with us this
476 morning whether or not you all do intend to appoint a person
477 that would be responsible for that site and be responsible
478 for good communication with the community and the State?

479 Mr. {Moniz.} Yes. First of all, I appreciated also
480 your intersession in helping us with those communications
481 with the City and the State. My understanding is that we are
482 in the process of hiring that person. I will--why don't I
483 get back and check exactly on the status of that and get back
484 to you promptly?

485 Mr. {Whitfield.} But you do feel like--

486 Mr. {Moniz.} We will--we do want to have a dedicated
487 site manager at Paducah.

488 Mr. {Whitfield.} Okay. Thank you, sir.

489 Mr. {Moniz.} Yes.

490 Mr. {Whitfield.} Thank you. Now, the fiscal year 2014
491 budget for the Paducah area, the cleanup and everything was
492 around 265 million dollars. And it is my understanding that
493 not all of that money is going to be able to be spent this
494 year. But it is my understanding that the Department of
495 Energy would have the option of directing some of that
496 additional money for cleanup. And as you know, with USEC
497 coming to an end, a lot of people are losing their jobs down
498 there. Could the Department of Energy--or are you all
499 considering funneling some of that money for additional
500 cleanup so that some of these people would be able to retain
501 those jobs?

502 Mr. {Moniz.} Well, we are--Mr. Chairman, we are working
503 to try to speed up the contract discussions. Typically,
504 these large environmental management contracts, they are
505 complicated. They are very long-term. They have very, very
506 large contract amounts, are 12 to 14 months. We are hoping
507 to get that down a little bit shorter so that we can have
508 that turnover early in the fall, and we are working hard on

509 that. That is I think the reason why we anticipate having
510 some carryover funds. We are trying to exercise what we can
511 this year. I understand the concerns. But we will have
512 carryover funds for sure. So I think also in the context of
513 our fiscal year 2015 request, I think we will have a strong
514 program.

515 Mr. {Whitfield.} You are referring to the IDIQ contract
516 that--

517 Mr. {Moniz.} Yeah.

518 Mr. {Whitfield.} And did I understand you to say that
519 in September or did you--

520 Mr. {Moniz.} September is--we are trying to push to get
521 that contract concluded.

522 Mr. {Whitfield.} Okay. Well, of course, that remains a
523 priority for all of us involved with this issue. So we do
524 appreciate your focusing on it and expediting it as much as
525 possible.

526 Mr. {Moniz.} We were able to beat the schedule last
527 year on another issue.

528 Mr. {Whitfield.} Right.

529 Mr. {Moniz.} Hopefully, we can beat the schedule this
530 year. But we are trying.

531 Mr. {Whitfield.} And also, in the fiscal year 2015,
532 there is talk in the budget about transitioning the facility

533 into a cold and dark state. And of course, we don't want it
534 to be a cold and dark state, because we were more interested
535 in decontamination and decommissioning of the facility. But
536 your understanding, what is the definition of a cold and dark
537 state for a facility like--

538 Mr. {Moniz.} Well, I can't say that I have, to be
539 honest, really focused on that. But I would say that it
540 means I think we need to have the facility in a stable, safe
541 condition without compromising the eventual D&D activities.

542 Mr. {Whitfield.} Right.

543 Mr. {Moniz.} Those would be the objectives, at least.
544 I can't say that I could describe in technical detail what it
545 means.

546 Mr. {Whitfield.} Right. Right. But it is the goal to
547 decontaminate and decommission rather than--

548 Mr. {Moniz.} Certainly. Oh, yes, it does. That is
549 certainly a requirement. Yes.

550 Mr. {Whitfield.} Well, Mr. Secretary, thank you for
551 helping clarify some of those issues. I appreciate that very
552 much. And I don't know how much time you have. We may go to
553 a second round if you have time. But at this time, I would
554 like to recognize the gentleman from Illinois for 5 minutes
555 of questions, Mr. Rush.

556 Mr. {Rush.} I want to thank you, Mr. Chairman. Mr.

557 Secretary, I do have a lot of questions that I want to cover.
558 And I know I won't have the time to do it all this morning,
559 so I will be submitting questions for the record. And I
560 would like the Agency to get back to me as promptly as
561 possible to an issue that I want to discuss today on both the
562 minorities and energy initiative and also the publicly funded
563 national research labs. Of the Agency's 27.9 billion dollar
564 budget request, what is the amount allocated to the Office of
565 Economic Impact and Diversity, which is the Agency primarily
566 responsible for enacting the Minorities and Energy Initiative
567 both in terms of dollars and also in terms of percentage? Do
568 you feel that this amount is adequately in terms of
569 reflecting the priorities of reaching out and engaging
570 minorities in the energy sector for both you and for
571 President Obama, and can you do more? So those are the three
572 questions.

573 Mr. {Moniz.} Well, first of all, I think the budget for
574 the economic development and diversity office is I believe I
575 is approximately 6 million dollars. In the budget--I just
576 want to clarify that in the budget, it shows a decrease. But
577 it is not actually a decrease, because two functions were
578 placed elsewhere. One is by law. We had to move the OSD BU
579 office--I forgot the name--office of small--it is a small
580 business office--I--the acronym, I have forgotten now what it

581 stands for. But by statute, it turned out we had to move
582 that outside and leave it as a coordinating office with the
583 ED office under Dot Harris. The second thing is that there
584 was a function placed in there, which the office was paying
585 for, for the department wide ombudsman, which was really
586 misplaced. So we put that in the management and
587 administration office as a better place. So the core--the
588 budget for that office really is not--has not been cut.

589 Mr. {Rush.} So in your best estimates, the budget has
590 flat lined to a degree--flat line--

591 Mr. {Moniz.} It is--I believe it is flat.

592 Mr. {Rush.} Without increase--without an increase, is
593 that what you are saying?

594 Mr. {Moniz.} I believe it is flat. Yeah. I think that
595 is correct. And if I go on to discuss the Northeastern
596 Energy Initiative, and I--by the way, I do want to say that,
597 you know, the birth of that was in a hearing here last June
598 when you raised the issue. I think it is off to a very, very
599 successful start with the ambassadors. You know that very
600 well, Mr. Rush. The--but for example--and this is not on our
601 budget. But for example, the American Petroleum Institute,
602 because of the initiative--and its director is one of the
603 ambassadors--they are having eight regional meetings to
604 attract minorities into the oil and gas industry workforce.

605 I personally went in the end of January to Hampton University
606 and recruited the president, Mr. Harvey, to an
607 ambassadorship. But--so we are promoting this I think--

608 Mr. {Rush.} Mr. Secretary, can you do more?

609 Mr. {Moniz.} I--we can do more. And I would be happy
610 to discuss with you how we could do more.

611 Mr. {Rush.} All right. Moving on to the area of the
612 public funded national research labs. How many publicly
613 funded research labs are there, and are any of these labs
614 managed by or operated by a minority?

615 Mr. {Moniz.} We have 17 national laboratories. The--

616 Mr. {Rush.} Are any of them operated by a minority?

617 Mr. {Moniz.} Well, yeah--I mean, they are operated by
618 organizations. The--let me say that I am dissatisfied
619 frankly with the diversity in the upper-management ranks of
620 these laboratories. And that is something that we have taken
621 up with our lab policy counsels.

622 Mr. {Rush.} When you--yeah, when you speak specifically
623 about Argonne and Fermi which are located in my home state--
624 Argonne and Fermi, which are located in my home state, what
625 are the percentage of minority engagements at Argonne and
626 Fermi lab?

627 Mr. {Moniz.} Sir, I will have to get back to you with
628 that for the record, because I don't know those numbers.

629 Mr. {Rush.} Right. Do you have--

630 Mr. {Moniz.} I do know that the upper ranks of the
631 management--we have inadequate representation.

632 Mr. {Rush.} Do you have figures for any other of the
633 other 17 labs across the country?

634 Mr. {Moniz.} No, but I would be happy to get you those
635 demographics.

636 Mr. {Rush.} Thank you very much.

637 Mr. {Whitfield.} The gentleman's time has expired. At
638 this time, I will recognize the gentleman from Texas, Mr.
639 Barton, for 5 minutes.

640 Mr. {Barton.} Thank you, Mr. Chairman. And thank you,
641 Mr. Secretary, for being here. You are the only cabinet
642 secretary that goes longer between haircuts than me. So I
643 appreciate that.

644 Mr. {Moniz.} I didn't know I had to come here to get
645 that repeated. But anyway--

646 Mr. {Barton.} No. I need a haircut. So you make me
647 look sheared, so to speak. I know this is a budget hearing.
648 And I know we should be asking questions about the DOE
649 budget. But I want to ask you a few more questions about LNG
650 Exports given what has happened in the Ukraine and Crimea.
651 This Subcommittee has done a number of forums where we have
652 had almost a complete panoply of forum representatives. And

653 to a person, they have all said that they want the United
654 States to export LNG, and they want to do it sooner rather
655 than later. The situation in the Ukraine obviously gives
656 credence to that. I believe President Obama, when he was in
657 Europe last week or the week before last, made some comments
658 that said that we should do that. Now, I don't want to say
659 that in absolute certainty, because I don't remember exactly
660 what he said. Your Agency, your Department is the Department
661 that has to give the initial approval. You just approved one
662 on I think February the 29th. So if that is possible, did we
663 have a February the 29th this year? Any--in any event--

664 Mr. {Moniz.} It was in March.

665 Mr. {Barton.} March.

666 Mr. {Moniz.} March.

667 Mr. {Barton.} March 29.

668 Mr. {Moniz.} Yeah.

669 Mr. {Barton.} I knew you would correct me. So you are
670 right. March. March the 24th, actually. I was looking--any
671 way, it is my fault. So it looks like when we read the
672 approval documents that they are almost verbatim. And so my
673 question is once you found that it is in the public interest
674 for one of these projects, why does it keep taking so long to
675 approve the next one? There are still 24 in the queue. Why
676 couldn't we just get a big stamp and stamp them all approved

677 and get on with it?

678 Mr. {Moniz.} Well, there are a number of issues there.
679 The--first of all, we do have these large dockets which do
680 have specific comments with regard to different proposals.
681 Secondly of course, as you know there is also the FERC
682 process, which goes through the NEPA process on a secondary
683 basis.

684 Mr. {Barton.} I am aware of that.

685 Mr. {Moniz.} And--

686 Mr. {Barton.} You don't have to worry about that.

687 Mr. {Moniz.} And--

688 Mr. {Barton.} So that is not an excuse.

689 Mr. {Moniz.} Well, no. But it is a fact. And right
690 now, we have no proposals ready for that final declaration,
691 because they are still in the NEPA process. Third is that
692 the--

693 Mr. {Barton.} But why would that impact the DOE
694 process? I don't understand that. Somebody is getting ready
695 to run for President in two years, but that doesn't impact my
696 process of running for Congress this year. I mean, I don't
697 understand why DOE going through--

698 Mr. {Moniz.} Well--

699 Mr. {Barton.} I mean, FERC going through the NEPA
700 process makes it more difficult for you to give approval or

701 disapproval.

702 Mr. {Moniz.} But we could not--my understanding
703 certainly is that we cannot act on a final approval until
704 that other--the FERC process is complete.

705 Mr. {Barton.} But you can do whatever you have been
706 doing, this conditional approval?

707 Mr. {Moniz.} Yeah, so the conditional approvals, we--

708 Mr. {Barton.} You have done 7, I think.

709 Mr. {Moniz.} We do prior to the--typically prior to the
710 FERC process, although I might say that now I think as the
711 process has rolled forward, we are seeing some proposers
712 filing with FERC prior to getting conditional approval. So
713 this is an evolution that is happening that is--

714 Mr. {Barton.} That is great information, Mr. Secretary.

715 Mr. {Moniz.} Yeah.

716 Mr. {Barton.} But it is irrelevant to what your job is
717 supposed to be. You have got 24 of these. And I am not
718 trying to be argumentative. I happen to believe that you and
719 I are on the same page.

720 Mr. {Moniz.} Then--

721 Mr. {Barton.} All I want you to do is say I agree with
722 you, we are going to get on it, we need to do it more
723 quickly, you are right, Congressman.

724 Mr. {Moniz.} I--

725 Mr. {Barton.} That is all you have got to do, and we go
726 on to the next questioner.

727 Mr. {Moniz.} I agree that we are systematically working
728 through the applications. Right--the law requires us to do a
729 public interest determination. That public interest
730 determination has multiple features.

731 Mr. {Barton.} All right. My time has expired.

732 Mr. {Moniz.} It includes--

733 Mr. {Barton.} You have successfully filibustered the
734 question period. I want you to do me one--go back to your
735 office this afternoon. It is that big office in the corner
736 on the top floor of the Forrestal Building, unless you have
737 moved it.

738 Mr. {Moniz.} No.

739 Mr. {Barton.} And read the seven applications that you
740 have approved. And give me a report on the--any wording
741 differentiation in any of those seven approvals. They are
742 almost verbatim.

743 Mr. {Moniz.} I would note for example in the last
744 approval, the Jordan Cove, you will see a rather different
745 discussion of international impacts in the public interest
746 determination, for example.

747 Mr. {Whitfield.} The gentleman's time has expired. At
748 this time, I would like to recognize the gentleman from

749 California--no, have you asked some questions yet?

750 Mr. {Whitfield.} Where is Mr. Waxman? Who is next?

751 Mr. {Barton.} Go to Mr. McNerney.

752 Mr. {Whitfield.} At this time, I will recognize the
753 gentleman from California, Mr. McNerney, for 5 minutes.

754 Mr. {McNerney.} Thank you for that reluctance, Mr.
755 Chairman. Mr. Secretary, thank you for coming this morning.
756 And I would like to talk a little bit about fusion energy for
757 a few minutes, if you don't mind?

758 Fusion energy, as you know, consists of releasing energy
759 by fusing nuclei of small elements together. And fusion of--
760 the fuel for fusion energy would be virtually unlimited.
761 Radioactive waste produced by fusion reaction is less
762 dangerous than radioactive waste produced from nuclear power.
763 And fusion reactors would inherently be failsafe in their
764 operation. Do you agree with those statements?

765 Mr. {Moniz.} Well, failsafe in terms of certain kinds
766 of accidents. Obviously, they can have malfunctions.

767 Mr. {McNerney.} Right. Okay. Thank you. Mr.
768 Secretary, the DOE budget for fusion research is 416 million
769 dollars a year. Now, on the other hand, the fusion power
770 supporters believe that fusion power could be practical in 10
771 years with a 3 billion dollar investment per year. Do you
772 believe that that is a realistic assessment?

773 Mr. {Moniz.} I should probably insert at this point--so
774 just--I can answer that question but--

775 Mr. {McNerney.} Sure.

776 Mr. {Moniz.} I am recused from dealing with the fusion
777 program. So there may be some of these I will have to have
778 my science office get back to you. But in terms of the
779 statement just now in terms of a general objective, I think
780 the 10 year estimate would certainly be viewed as optimistic
781 by most scientists.

782 Mr. {McNerney.} Okay. Well, so how long do you think
783 it would take then with the 400 and--

784 Mr. {Moniz.} I wouldn't speculate. But for example,
785 what is certainly part of the public discussion, again, I
786 cannot make decisional statements on fusion. The--I believe,
787 you know, the major international project currently going on
788 doesn't even plan to get to ignition in, I don't know, quite
789 a few years from now, at least a decade. So--and that would
790 be many steps from that to a commercial plant.

791 Mr. {McNerney.} Okay. Fair enough.

792 Mr. {Moniz.} Yeah.

793 Mr. {McNerney.} Do you think it is a--that is a good
794 investment of American dollars in fusion research?

795 Mr. {Moniz.} In--as--again, as a general statement, I
796 think we definitely should keep investing in fusion.

797 Mr. {McNerney.} Okay. We have fallen behind some of
798 the other countries in that research area over the last
799 decade or so.

800 Mr. {Moniz.} Well, again, I think as--I am just going
801 to my scientific background. I would say that we remain the
802 leaders in many aspects of fusion. I think certainly in the
803 large scale modeling and simulation of plasmas, I think we
804 remain leaders. We are building many of the big components
805 in terms of big magnets--superconducting magnets. So I think
806 we have--we are not so far behind, I would say in terms of
807 our capacity. Obviously, we don't have a facility of the
808 scale that is being built in Europe.

809 Mr. {McNerney.} Okay. Well, I am going to change the
810 subject a little bit, if you don't mind. Last week, the
811 President announced an interagency methane strategy to reduce
812 emissions of that potent greenhouse gas. DOE will play an
813 important role, along with the EPA and the Department of
814 Interior. The strategy document states that the DOE will
815 sponsor roundtable discussions with stakeholders about
816 methane emissions. What does the DOE hope to achieve in
817 those roundtable discussions?

818 Mr. {Moniz.} I just might add for the agencies that
819 U.S.--that agriculture is also a major player in that for
820 different sources of methane. The Department of Energy--our

821 focus is on data. And it is very much focused also on the
822 kind of midstream and downstream systems. We assembled--we
823 had the first of the roundtables, multiple constituencies,
824 especially for that midstream and downstream, including, you
825 know, companies, labor, environmental groups, et cetera. The
826 big message for me in that meeting was the surprising degree
827 of agreement in terms of a path forward and how much actually
828 companies are already doing in the context of renewing old
829 infrastructure and simultaneously addressing methane leaks.

830 Mr. {McNerney.} Are there particular technologies that
831 the DOE would want to support in this area?

832 Mr. {Moniz.} For example, we very much want to keep
833 pushing--and RPE will be pursuing this--really high quality,
834 lower cost detectors and sensors so that we can know where
835 the leaks are.

836 Mr. {McNerney.} Performance based standards?

837 Mr. {Moniz.} Right.

838 Mr. {McNerney.} Very good.

839 Mr. {Moniz.} Yeah.

840 Mr. {McNerney.} Thank you, Mr. Chairman. I yield back.

841 Mr. {Whitfield.} The gentleman yields back. At this
842 time, I will recognize the gentleman from Louisiana, Mr.
843 Scalise, for 5 minutes.

844 Mr. {Scalise.} Thank you, Mr. Chairman, appreciate you

845 having the hearing. And, Secretary Moniz, appreciate you
846 being here to talk about the Department's budget and
847 obviously the policies that then go into the funding that
848 would come from that budget. When I look at your budget, you
849 are requesting a 715 million dollar increase over where you
850 currently are. And, obviously, we are trying to get control
851 over spending in Washington. Washington is spending more
852 than we take in. We are actually trying to go department by
853 department to actually start trying to get Washington to live
854 within its means, meaning to spend less than it is taking in--
855 less than it is spending right now, because it spends more
856 than it takes in. So when you ask for a 715 million dollar
857 increase, I know you look at some of the agencies, and you
858 have a 22 percent increase requesting for renewable energy.
859 And we are already spending a lot of money. It is not like
860 there is not money being spent on renewable energy. This
861 Committee has had a lot of hearings on some of those
862 boondoggles things, like Solyndra and others. And when you
863 look at a request like this--and you are asking for 715
864 million more. Somewhere in the neighborhood of 250 million
865 or more of that money is going to have to be borrowed from
866 countries like China. I mean, do you factor that in when you
867 are asking us for this kind of increase that a large portion
868 of that is money that is not just sitting around somewhere?

869 It is literally money that is going to be borrowed with that
870 bill being sent to our kids?

871 Mr. {Moniz.} Well, first of all, I do not subscribe to
872 the boondoggle. We can come back to that. But--

873 Mr. {Scalise.} It is the level of the expenditure--

874 Mr. {Moniz.} With regard to the budget--clearly, the
875 administration budget is consistent with the money lying
876 budget. So it obeys the cap. It is essentially flat dollars
877 from fiscal year 2014. Within that overall budget, the
878 President chose to give greater emphasis to some of our
879 programs, both in energy and in nuclear security.

880 Mr. {Scalise.} And I know we talked about this
881 yesterday at a separate hearing, but, you know, the Secretary
882 of State had made comments that global warming and this
883 climate change agenda is a bigger threat to American than
884 terrorism. I would dispute that. I don't know--I won't ask
885 you for that reaction. But I do want to ask you because you
886 did touch on the President's supposed all of the above energy
887 strategy, and I know your Agency is tasked with coming up
888 with the strategy for the country. When we talk about the
889 President's approach to energy, you know, I know he talks
890 about all of the above, but when you look at the numbers, it
891 just doesn't back up what he says. And specifically, I want
892 to talk about energy production on federal lands. I was able

893 to get this information from the American Enterprise
894 Institute. They do some really good research on a lot of
895 fronts. But on energy production, they actually have charted
896 how--this is actual change in fossil fuel production over the
897 years. And so they are showing--you know, especially when
898 you look from 2009 to today, a dramatic increase in
899 production on state and private lands, which I know the
900 President likes taking credit for. But when it comes to
901 areas where the federal government actually has authority, on
902 federal lands, you have a 15 percent decrease. So you have a
903 dramatic difference in how our energy portfolio is playing
904 out in the real world. You are seeing state and private land
905 production dramatically up. But--on federal lands. Because
906 of this Administration's policies, you actually see a
907 dramatic decrease in energy production. And so when the
908 President talks about an all of the above strategy, he is not
909 carrying that out in his policies. His policies are actually
910 hurting production on federal lands. Fortunately, we have
911 got private lands in states that are making up the
912 difference. But the federal government is going after them
913 too. So I want to ask you, when it comes to this idea of an
914 all of the above strategy, which I fully embrace, President
915 Obama does not embrace and the numbers back that up. But
916 when you see some of his other agencies, like EPA and

917 Department of Interior, de facto carrying out a different
918 strategy, how much interaction do you have, as Secretary of
919 Energy, trying to push for an energy strategy on one hand,
920 but then having agencies like the EPA trying to shut some of
921 that production down? Do you all try to coordinate and say
922 hey, we want an all of the above strategy? And if you really
923 mean it, are you going to agencies like EPA and saying stop
924 this war on coal that is killing jobs, killing energy. Stop
925 this war on--you know, they are attempting to have a war on
926 hydraulic fracturing to shut some of that down. I mean, do
927 you all have any interaction on that?

928 Mr. {Moniz.} We certainly do. I would like to note
929 first of all that I feel we do have an all of the above
930 strategy. And it is a very strong one. And if I--

931 Mr. {Scalise.} What do you say about these numbers
932 though? The numbers don't back it up.

933 Mr. {Moniz.} So if I may make two comments, sir?

934 Mr. {Scalise.} Sure.

935 Mr. {Moniz.} Respectfully. The first, the investments
936 in these different areas, it is not only these discretionary
937 numbers in the fiscal year 2015 budget. If you look at coal,
938 we have 6 billion dollars in CCS projects that are coming on.
939 We have an 8 billion dollar loan guarantee program for fossil
940 energy across the board. We just did a loan for nuclear.

941 The--

942 Mr. {Scalise.} You are talking about money. But I am
943 talking about the results.

944 Mr. {Moniz.} And--

945 Mr. {Scalise.} The results are that production is down
946 on federal lands.

947 Mr. {Moniz.} And--

948 Mr. {Scalise.} Do you dispute that?

949 Mr. {Moniz.} And if you look at that specific issue, I
950 might observe that a major driver of that is geology. The--

951 Mr. {Scalise.} Do you dispute that it is down,
952 production is down on federal lands?

953 Mr. {Moniz.} No, those are data.

954 Mr. {Scalise.} Right. That is correct.

955 Mr. {Moniz.} However, unconventional reservoirs are not
956 in the traditional areas. The market has moved to the
957 Marcellus Shale, to the Eagle Ford, to the Bachan. So is
958 the--

959 Mr. {Scalise.} And I know I am out of time. I
960 appreciate that. And I yield back the balance of my time.

961 Mr. {Whitfield.} At this time, I would like to
962 recognize the gentleman from California, Mr. Waxman, for 5
963 minutes.

964 Mr. {Waxman.} Thank you, Mr. Chairman. Secretary

965 Moniz, that was an interesting line of questioning. It was
966 more trying to provoke you. Are we not following an all of
967 the above strategy? It seems to me you were outlining a lot
968 of different areas where we are pursuing energy development.
969 I assume that development on public lands is just a small
970 part of the overall energy areas that we are concerned--

971 Mr. {Moniz.} Well, and that--so, yes--so bottom line,
972 yes. We are pursuing an all the above strategy. And I think
973 our energy system is showing it, even as we have reduced
974 carbon emissions at the same time.

975 Mr. {Waxman.} I tend to think that the Republicans
976 don't want an all of the above, they want a strategy to
977 continue to rely on fossil fuels, especially coal. And then
978 we talk about a war on coal. I just can't understand this
979 argument, the war on coal. Coal is losing out, not because
980 of any government actions. It is losing out because of
981 market forces. Utilities are finding it less expensive to
982 use natural gas. And even though we subsidize coal, but not
983 requiring them to pay for the external costs of their use of
984 cheap coal, they can't compete at the present time. But they
985 are also the leading source of carbon emissions.

986 I mentioned in my opening statement the
987 intergovernmental panel on climate change. Their report
988 should be a wakeup call. Everyone is--the world's leading

989 scientists are telling us everyone is going to be impacted by
990 climate change, no country or region is immune. If we listen
991 to our scientists and invest in the clean energy
992 technologies, that will put our country and the world on the
993 path to a sustainable and prosperous energy future. That
994 seems to be the course we should be taking, not just no
995 action which is what we hear more often than not from the
996 leadership on this Committee.

997 As a scientist, I would like to ask you about the
998 consequences of inaction. Last year, DOE examined the
999 impacts of climate change and what it would mean for energy
1000 infrastructure as a result of higher temperatures, drought,
1001 sea level rise, extreme weather events. What did DOE find?

1002 Mr. {Moniz.} I am--I missed the last part.

1003 Mr. {Waxman.} Well, I wanted to know what DOE found in
1004 terms of the impact of climate change on energy
1005 infrastructure.

1006 Mr. {Moniz.} Oh, I see. Um-hum. Um-hum. Yes. So the
1007 risks and vulnerabilities report that you are referring to
1008 certainly lays out rather dire consequences for our energy
1009 infrastructure. The--I might add the President, in the
1010 climate action plan, of course, elevated adaptation and
1011 resilience of energy infrastructure to a very high level,
1012 precisely a anticipating what the report said this week that

1013 we are seeing the consequences and they are going to get
1014 worse.

1015 Mr. {Waxman.} Um-hum.

1016 Mr. {Moniz.} And prudence requires us both to try to
1017 mitigate further consequences to adapt as well.

1018 Mr. {Waxman.} But let me ask you, if we have sea levels
1019 rising and floods and storms and wildfires, I don't--

1020 Mr. {Moniz.} Right.

1021 Mr. {Waxman.} That is going to put coastal and inland
1022 energy facilities at risk, among others. Droughts will
1023 impair power plant cooling systems, increase the risk of
1024 shutdowns.

1025 Mr. {Moniz.} Um-hum.

1026 Mr. {Waxman.} Higher temperatures will put stress on
1027 our electricity systems and reduce the efficiency of
1028 generation and transmission infrastructure. If all those
1029 things happen, aren't we talking about an all of the above
1030 strategy of ignoring climate change at our own peril?

1031 Mr. {Moniz.} Yes. And they have all happened already.
1032 We have had power plants shutdown because of warmer waters,
1033 for example.

1034 Mr. {Waxman.} In the west, climate change is expected
1035 to decrease the amount of snow pack. And we are already
1036 seeing in recent years in California a problem. What effect

1037 is that going to have on water availability for energy
1038 generation, agriculture and drinking water?

1039 Mr. {Moniz.} It would be a tremendous impact. And,
1040 again, it is already there. We are seeing it. The Colorado
1041 River, as you know very well, is in a very difficult
1042 situation after years of drought.

1043 Mr. {Waxman.} Climate change is going to impact
1044 everyone, but it won't impact everyone equally. Some in the
1045 coal industry are engaged in a publicity campaign to convince
1046 Americans that the key to addressing poverty in the world's
1047 poorest countries is to get them to use coal. I find this
1048 deeply cynical. In fact, Secretary Moniz, didn't the IPCC
1049 find that poor people and poor countries will be hit hardest
1050 by climate change? And wouldn't uncontrolled burning of coal
1051 exacerbate these impacts?

1052 Mr. {Moniz.} Well, increased carbon emissions in
1053 general would of course. And you are certainly correct that
1054 the poorest societies are the most vulnerable.

1055 Mr. {Waxman.} Well, it just strikes me that we are
1056 whistling past the graveyard when we hear people talking
1057 about how the war on terrorism is something that we ought to
1058 pay more attention to than climate change. You know, you got
1059 to pay attention to problems. And the big, huge problem that
1060 is being ignored on this Committee is the problem of climate

1061 change. And I hope that will change, because we do have a
1062 choice to make. Thank you, Mr. Secretary.

1063 Mr. {Moniz.} I agree.

1064 Mr. {Whitfield.} The gentleman's time has expired. At
1065 this time, I will recognize the gentleman from Texas, Mr.
1066 Hall, for 5 minutes.

1067 Mr. {Hall.} Thank you, Mr. Chairman. And, Mr.
1068 Secretary, I thank you for being here. It is good to see you
1069 again.

1070 Mr. {Moniz.} Good to see you.

1071 Mr. {Hall.} I want to touch on what is going on in
1072 Russia and the Ukraine a bit, and also a little bit from what
1073 we have been talking about. But what--I know that crisis
1074 must have influenced your decision in making with respect to
1075 LNG Exports. And I understand Russia has recently raised the
1076 price of natural gas to Ukraine by 40 percent. It seemed
1077 like the Chairman of Energy and Commerce touched on that a
1078 moment ago. Do you think--at what point are delays going to
1079 deny the private sector the ability to export LNG negatively?
1080 How does that impact job creation here in our country?

1081 Mr. {Moniz.} Well, sir, again, the public interest
1082 determination that we are required to make by law has us
1083 balancing various factors. The international situation is
1084 certainly one of them. And that was noted in our last Jordan

1085 Cove conditional approval. But also of course, very
1086 paramount is the impact on domestic markets and
1087 manufacturing. And as you know, the--many of the
1088 manufacturing community remain very concerned about--none
1089 about having no exports, but about going too fast. So we are
1090 in a situation of balancing that. We have to look at the
1091 cumulative impacts of exports. I might add, it--you know,
1092 there is this view of somehow not doing enough for something.
1093 But I might add--

1094 Mr. {Hall.} Are delays--

1095 Mr. {Moniz.} But I might add that the--so far, the
1096 conditional approvals--again, we all know that gas will not
1097 flow for several years yet, except for the first project.
1098 But the amount of approval so far, 9.3 billion cubic feet per
1099 day, is almost equal to the amount currently exported by far
1100 the world's biggest exporter, Gutter. So what we have
1101 approved already puts us essentially at the top of the export
1102 list. So this is not a small amount.

1103 Mr. {Hall.} Well, I want to get back to offshore
1104 situation. In December 2012, Congress passed, and our
1105 President signed into law, the Deepwater Ports Act, contained
1106 authority for DOE to create a similar and a simultaneous
1107 process for offshore projects that would be permitted under
1108 the Department of Transportation Maritime Administration, not

1109 for--and the land based projects would continue under FERC.

1110 But from what I have been told, and I guess what I

1111 understand, the DOE is not complying with the 2012 law

1112 change, allowing non-FERC offshore projects. Is that true?

1113 Mr. {Moniz.} Well, I don't believe so. But I will look

1114 into this, Mr. Hall. Certainly, I know there it is a

1115 different process using MARAD.

1116 Mr. {Hall.} And if it is, what seems to be the holdup?

1117 Mr. {Moniz.} My understanding is that--and, again, I

1118 will have to get back to you on this in detail. I am sorry.

1119 Mr. {Hall.} All right.

1120 Mr. {Moniz.} But I think they address--

1121 Mr. {Hall.} If you would--

1122 Mr. {Moniz.} I will do that. Yes.

1123 Mr. {Hall.} I don't know how much time--I can't see

1124 that sign too good. But I have heard from companies that are

1125 ready for their permits to be approved and would be able to

1126 export LNG this year. They have global customers just

1127 waiting for these projects to move forward, I am told. And

1128 the sooner we do this, Mr. Secretary, the better it is going

1129 to be for our economy, I think. And the faster we can

1130 provide stability in uneasy parts of the world, like the

1131 Ukraine that I mentioned to start with, I would appreciate

1132 you also looking into that and giving me some information on

1133 it.

1134 Mr. {Moniz.} Yeah.

1135 Mr. {Hall.} I yield back my time.

1136 Mr. {Moniz.} Thank you. Let me--may I accomplish one
1137 comment on that?

1138 Mr. {Hall.} Yes, sir. Please.

1139 Mr. {Moniz.} Just to note that in a certain sense, we
1140 have already had some kind of shadow exports in the sense
1141 that as you well know 5, 6 years ago, there was the
1142 expectations of major LNG imports to the United States. Our
1143 not having those imports has had those cargoes go elsewhere,
1144 including to Europe.

1145 Mr. {Hall.} And we have European allies that are losing
1146 their bargaining power with Russia.

1147 Mr. {Moniz.} Yeah. Last week, in fact it was announced
1148 in Europe--and Tuesday--Wednesday--what is today? Yesterday,
1149 there as a meeting in Brussels. And we are going to have a
1150 meeting of the--under the G7 of energy ministers to look at
1151 our collective energy security.

1152 Mr. {Hall.} All right. And I thank you. And I yield
1153 back, Mr. Chairman. Thank you.

1154 Mr. {Whitfield.} The gentleman yields back. At this
1155 time, I will recognize the gentleman from New York, Mr.
1156 Tonko, for 5 minutes.

1157 Mr. {Tonko.} Thank you, Mr. Chair. Mr. Secretary,
1158 thank you for your tremendous leadership over at DOE. I am
1159 very pleased to see the Administration's request for an
1160 increase in the energy efficiency renewable energy account.
1161 While I know you were just criticized for that, I for one am
1162 very pleased with that outcome for many reasons, including
1163 the promising opportunities for clean energy, improvements in
1164 energy efficiency, domestic manufacturing and certainly for
1165 modernizing the grid and making it more secure and resilient.

1166 One of the key technologies that will enable much of
1167 this is of course energy storage. I firmly believe if we can
1168 make better batteries and energy storage systems, we will
1169 advance in many of the areas more expeditiously in those
1170 areas that I have just mentioned.

1171 I know this area of research and development is part of
1172 the vehicles technology work at the Department of Energy and
1173 that you are doing it very well. How close are we to getting
1174 energy storage systems that will enable us to rely more
1175 heavily with the opportunity for storage with our solar and
1176 wind power?

1177 Mr. {Moniz.} Well, if I start with the vehicle storage
1178 that you mentioned, we should note that costs per kilowatt of
1179 storage have dropped by a factor of two in about four years,
1180 which is very encouraging. We need another factor of two or

1181 three to really get to the cost point of a major commercial
1182 market, although we are seeing tremendous progress. We did
1183 have almost 100,000 plugin hybrid sales last year, for
1184 example, double 2012. So that is looking very promising over
1185 the next say 10 years.

1186 On utility scale storage, we do have--we produced a
1187 report. If you haven't seen it, we would be happy to provide
1188 it, on utility scale storage a few months ago. Let us get
1189 that to you if you haven't see it. The--we have a ways to go
1190 to reach the cost points that one will need. We did have a--
1191 so we have a budget increase request for fiscal year 2015.

1192 Mr. {Tonko.} Right. And I know that GE in my district
1193 is working on advanced battery manufacturing that will
1194 address storage capacity for renewables.

1195 Mr. {Moniz.} Yes.

1196 Mr. {Tonko.} Does DOE have some demonstration projects
1197 underway with these systems?

1198 Mr. {Moniz.} I am not personally aware, but I will
1199 check back on that. I am just not aware, Mr. Tonko.

1200 Mr. {Tonko.} Okay. As you well know, the electric
1201 generation and transmission systems that make up the grid are
1202 undergoing tremendous changes due to many factors, including
1203 an increased deployment of distributed generation, retirement
1204 of old generating plants, shifts in the areas with

1205 electricity demand, and certainly shifts in fuel mix, to name
1206 a few. I believe energy storage could play an important role
1207 in a newly designed grid that is more flexible, resilient and
1208 efficient. But these developments will also challenge the
1209 traditional financing model for utilities. Is the Department
1210 looking at both the technical and non-technical barriers to
1211 deployment of clean energy technologies, and the challenges
1212 that--the challenge that is presented to our current grid
1213 infrastructure and traditional financing models?

1214 Mr. {Moniz.} Yes. That is a very important point.
1215 Thank you. We are looking at this in a number of ways. In
1216 particular, again, the quadrennial energy review is--for this
1217 year, it is entirely focused on the transmission, storage and
1218 distribution of energy, both electricity and fuels. It is a
1219 key issue. Clearly, there is technology involved with the
1220 grid making phase or measurements, et cetera. But a lot of
1221 it is policy, including state policy as to how one does that.
1222 The other point I would mention is--and again, you are
1223 completely on the mark as far as I am concerned--is business
1224 models are challenged in--as we look forward to distributed
1225 generation, smarter grids.

1226 But also, I might add, the anticipation that we will
1227 continue to have no or very, very modest demand growth as our
1228 efficiency actions take hold. And so we do have to also--we

1229 are trying to think through how do we see a transformation
1230 happening in a period of let us say flat demand.

1231 Mr. {Tonko.} Um-hum. In your testimony, you also
1232 talked about the impact on the utilities with experiences
1233 like Hurricane Sandy in New York. Given our recent
1234 experiences and the prospect of more storms of this type as a
1235 result of climate change, is this something the
1236 Administration sees as a key component of climate adaptation?

1237 Mr. {Moniz.} Absolutely. And we have in our budge, in
1238 fact, a proposals for increasing our emergency response
1239 capacity that we exercise under FEMA. That would include,
1240 for example, setting up an emergency response room for energy
1241 infrastructure. And it also would entail--we believe it
1242 would be a good investment to have a DOE person assigned to
1243 each of the FEMA regions so that the energy issues are
1244 understood upfront, and that can cut time out from any
1245 response to an emergency.

1246 Mr. {Tonko.} Thank you, Mr. Secretary.

1247 Mr. {Moniz.} Thank you.

1248 Mr. {Tonko.} And I thank you for your efforts. Mr.
1249 Chair, I yield back.

1250 Mr. {Whitfield.} At this time, I recognize the
1251 gentleman from Illinois, Mr. Shimkus, for 5 minutes.

1252 Mr. {Shimkus.} Thank you, Mr. Chairman. Mr. Secretary,

1253 on July 31 of last year, you testified before this Committee,
1254 and you said, and I quote, ``We had made very clear we follow
1255 the law. The law will be determined by this Court decision
1256 that we are all awaiting. And if it directs the NRC to pick
1257 up the license, we will do our job to support that, given
1258 appropriations.'' Your quotation. On November 19 of last
1259 year, the D.C. Circuit Court observed that the DOE is not
1260 following the law, noting that DOE's current strategy, and I
1261 quote, ``is based on assumptions directly contrary to the
1262 law.''

1263 The Court ordered you to, and I quote, ``submit to
1264 Congress a proposal to change the fee to zero until such a
1265 time as either the Secretary''--that is you--``chooses to
1266 comply with the Act as it is currently written, or until
1267 Congress''--that is us--``enacts an alternative waste
1268 management plan.''

1269 Does the Administration have any plans to resume work on
1270 Yucca Mountain and comply with the law, which is the Nuclear
1271 Waste Policy Act, as it is currently written?

1272 Mr. {Moniz.} Well, first of course, we did submit the
1273 letter to the Congress on I think January 3 on the--

1274 Mr. {Shimkus.} Well, the question is, does the
1275 Administration have any plans to resume work on Yucca
1276 Mountain and comply with the Nuclear Waste Policy Act as it

1277 is currently written--as it is currently written?

1278 Mr. {Moniz.} Yes. Secondly--

1279 Mr. {Shimkus.} What is the answer?

1280 Mr. {Moniz.} In terms of the Court decision with the
1281 NRC, of course. They have resumed their activity. We are
1282 supporting that as I said we would. So we will in fact
1283 probably have our technical--

1284 Mr. {Shimkus.} Well, I am going to follow through,
1285 because I think we have got questions and testimony in your
1286 budget submission that adequately will prove that you are not
1287 complying and following with the law. The Administration's
1288 budget indicates the need for legislation to carry out your
1289 DOE strategy for spent nuclear fuel management, especially
1290 considering it is based on assumptions directly contrary to
1291 law. Is the Administration going to propose legislation?

1292 Mr. {Moniz.} I would have to go consult with my
1293 colleagues on that. I am not aware of anything at the
1294 moment.

1295 Mr. {Shimkus.} So let me get this straight. The
1296 Administration doesn't like the existing law, and is choosing
1297 not to execute it. So the Administration wants Congress to
1298 write a new law that it might like better, but won't propose
1299 to Congress what that new law should look like? And in the
1300 meantime, you want to keep spending taxpayer's money on your

1301 strategy, even after the D.C. Circuit Court noted that it is
1302 based upon assumptions directly contrary to law, and has
1303 directed DOE--that is you--to stop collecting the nuclear
1304 waste fees from electricity consumers. If the Administration
1305 won't follow the law on the books, why should we have any
1306 confidence that you will follow a new law?

1307 Mr. {Moniz.} The--first, I would like to note that as
1308 was stated publicly in a Senate hearing, I did in fact work
1309 with the Committee in terms of shaping a proposal--

1310 Mr. {Shimkus.} Mr. Secretary, this is a budget hearing--
1311 -

1312 Mr. {Moniz.} And--

1313 Mr. {Shimkus.} And what we are trying to find out is
1314 why you are not submitting money to comply with the law?

1315 Mr. {Moniz.} And--

1316 Mr. {Shimkus.} And by not submitting money in your
1317 proposed budget, in conclusion, you are directing your Agency
1318 to not follow the law.

1319 Mr. {Moniz.} If I may add, the--I am also happy to work
1320 with this body to formulate any Bill. Secondly, we have more
1321 than adequate funding right now to do our--all the responses
1322 that might be called for from the NRC to support their
1323 process. As I said, we expect our first report to be
1324 submitted very soon, probably the end of this month. And,

1325 third, our budget request is for all activities, which are
1326 authorized under the Nuclear Waste Policy Act.

1327 Mr. {Shimkus.} In the context of DOE's assurances that
1328 it would follow the law, you, DOE, has repeatedly committed
1329 to this Committee that DOE would honor the NRC's November 19
1330 Order, both in correspondence and in hearings, including your
1331 testimony that I noted earlier. As recently as January 9
1332 letter to his Committee, DOE stated it would honor NRC's
1333 request, complete a groundwater supplement to Yucca Mountain
1334 EIS. However, on February 28, you, DOE, notified NRC that it
1335 would not prepare the EIS supplement. Why did DOE change its
1336 mind over those seven weeks, and was your commitment to this
1337 Committee even a factor in that decision?

1338 Mr. {Moniz.} The--again, the core activity that we need
1339 to do for NRC is preparing the--updating the technical issues
1340 on groundwater. The--

1341 Mr. {Shimkus.} I have 15 seconds. Let me just go to a
1342 statement you have in your testimony.

1343 Mr. {Moniz.} Yes.

1344 Mr. {Shimkus.} You say, ``and a consent based citing.''
1345 Where in the Nuclear Waste Policy Act is there a--any--the
1346 words anywhere consent based citing? Where is it in the law?

1347 Mr. {Moniz.} I would have to go back to my general
1348 counsel to answer that question.

1349 Mr. {Shimkus.} Oh, come on, Mr. Secretary, you know
1350 that consent based citing is not in the Nuclear Waste Policy
1351 Act. And that is why your job is to comply with the laws of
1352 the land, and you continually thwart doing that. I yield
1353 back my time.

1354 Mr. {Moniz.} Well, we believe we are complying.

1355 Mr. {Whitfield.} The gentleman's time has expired. At
1356 this time, I recognize the gentleman from Texas, Mr. Green,
1357 for 5 minutes.

1358 Mr. {Green.} Thank you, Mr. Chairman. And, Secretary
1359 Moniz, welcome you back to our Committee. I also want to
1360 thank you for your recent trip to Houston and speaking to our
1361 Senator conference there. The budget we are discussing today
1362 has a significant impact on the activities you witnessed in
1363 Houston.

1364 I want to start by asking you about pending LNG export
1365 applications. On March the 24th, the DOE approved the
1366 seventh non-FTA application for the Jordan Cove energy to be
1367 located on the west coast. This approval came within six
1368 weeks after the approval of the Cameron location from
1369 Louisiana. The--in October of 2013, the government was shut
1370 down for 17 days. The Department repeatedly stated due to
1371 the shutdown, the operations of the Agency significantly
1372 slowed down.

1373 My first question is has the Department fully recovered
1374 and staffed up from the delay, and does the fiscal year 2015
1375 budget include this?

1376 Mr. {Moniz.} Well, yes. We are fully operational.

1377 Mr. {Green.} Okay. Does the six week approval of
1378 Jordan Cove reflect this recovery?

1379 Mr. {Moniz.} Well, each license is a little bit
1380 different in terms of the timing. But I think if you look
1381 historically, you can see what the timing has been post-shut
1382 down.

1383 Mr. {Green.} Okay. Will the Department continue to
1384 move at this pace?

1385 Mr. {Moniz.} Well, again, I cannot make a prediction on
1386 any individual application. But our process, as you know, is
1387 well known. It has been very transparent. Not everyone is
1388 happy with it apparently, but it is a pretty transparent
1389 process. And we have managed to now to get through--well, in
1390 my tenure, I think 5 of these licenses.

1391 Mr. {Green.} Once FERC issues the environmental
1392 assessment, what steps or analysis does the DOE take with
1393 respect to the final issuance of the non-FTA's work permit?

1394 Mr. {Moniz.} Well, when it comes back to the
1395 Department, then we obviously look at the NEPA statement.
1396 There is a decision to be made as to whether any other

1397 analysis is required. But that is something that we haven't
1398 faced yet, at least I haven't faced yet. But--so we are
1399 expecting to get some of these NEPA analyses back from FERC
1400 this spring.

1401 Mr. {Green.} Well, and you know the history of the--we
1402 first thought we were going to import LNG in '05. And now we
1403 are using that '05 law to export it. And there is I guess
1404 some interest in expanding exporting, and there is
1405 legislation to consider it.

1406 Mr. {Moniz.} Um-hum.

1407 Mr. {Green.} But the Department is actually, you know,
1408 approving these permits. And there will still be a--I think
1409 the first one probably won't be able to export until sometime
1410 next year, which is a Cheniere facility in--

1411 Mr. {Moniz.} End of next year.

1412 Mr. {Green.} End of next year.

1413 Mr. {Moniz.} Um-hum.

1414 Mr. {Green.} So even if we approved all of these
1415 permits now, that natural gas--that LNG probably wouldn't get
1416 to someone. And my concern is yesterday I met with a number
1417 of German industrialists who would like to buy our natural
1418 gas. The problem is most of those permits that have been
1419 issued, and the ones that are on the--in line are actually
1420 contracted to send that LNG to Asia. And I asked them, I

1421 said if you all want to get in line, you know, you don't
1422 build an LNG permit unless you can have some customers for
1423 it. And I know a lot of these companies would like to have
1424 the customers in Europe as well as Asia. So--but any way, I
1425 appreciate that. So--

1426 Mr. {Moniz.} May I just comment, if--

1427 Mr. {Green.} Sure.

1428 Mr. {Moniz.} That the first license that is granted,
1429 the Cheniere project that you mentioned to export end of next
1430 year, they do have European companies. IN fact, they just
1431 announced one with a European company contracting for the
1432 volumes. But I want to emphasize European companies does not
1433 necessarily mean they will deliver the cargoes to Europe.

1434 Mr. {Green.} Well--

1435 Mr. {Moniz.} That is up to those companies to decide.

1436 Mr. {Green.} That is true. Thank you. The carbon
1437 capture and storage is constantly discussed in the context of
1438 use and the possibility to be used as carbon control
1439 technology under EPA rules for utilities and refiners. The
1440 problem is that it is still too expensive commercially to be
1441 used. This year, the Department's budget was reduced for
1442 carbon capture and storage by 40 percent. Does this reduced
1443 funding level indicate Department believes CCS is
1444 commercially viable?

1445 Mr. {Moniz.} No, I wouldn't reach that conclusion or
1446 the opposite conclusion either. I mean, I think the--we are
1447 continuing to move forward with these projects. The
1448 technologies--all the technologies have been used in a
1449 commercial context. Clearly, as with any of the new
1450 technologies, renewables as well, our job is to continue to
1451 work on cost reduction across the board.

1452 Mr. {Green.} Well, and I think we probably disagree a
1453 little bit on commercially, you know, cost effective. But I
1454 know we would like to do it. Mr. Chairman, I have another
1455 question I would like to submit on American manufacturing.
1456 And I support that in the President's budget recommending a
1457 69 percent increase in advanced manufacturing funding. And I
1458 would hope we could have a response from the Department.
1459 Thank you. And I yield back my time.

1460 Mr. {Whitfield.} That will be given to the Department
1461 for response. At this time, I recognize the gentleman from
1462 Nebraska, Mr. Terry, for 5 minutes.

1463 Mr. {Terry.} Thank you, Mr. Chairman. And thank you,
1464 Mr. Secretary, for being here today. I noted in the budget
1465 that the lowest sub-agency or department--lowest funded is
1466 the electric delivery and energy reliability. And so could
1467 you give me quickly the mission statement of that sub-agency,
1468 electric delivery and energy reliability?

1469 Mr. {Moniz.} It has two--I would say two principle
1470 roles. One is to develop and--in the Recovery Act period, to
1471 also deploy critical technologies for 21st century grid
1472 modernization. So for example, they did a tremendous amount
1473 in terms of doing phase measurements to understand stability
1474 of the grid, working with the utilities and ISOs, actually.
1475 The second area is the one that I did mention earlier on
1476 strengthening emergency response capabilities. So the
1477 principle organization for our work on emergency response
1478 under FEMA is in that office.

1479 Mr. {Terry.} Can you tell me how this Department or DOE
1480 then, on reliability and delivery, works with FERC and--I am
1481 sorry, EPA, or do they?

1482 Mr. {Moniz.} Well, we--obviously, we all have different
1483 responsibilities. We certainly coordinate. As an example,
1484 Acting Chairman LaFleur from FERC has come over twice for us
1485 to discuss the risks that have been very prominent recently
1486 around physical attacks on infrastructure.

1487 Mr. {Terry.} Yes. And that is going to be my next
1488 question.

1489 Mr. {Moniz.} Okay. So--

1490 Mr. {Terry.} But how about with EPA?

1491 Mr. {Moniz.} And with EPA, we have many, many
1492 discussions. Often, what we do is provide kind of technical-

1493 -underpinning technical support in areas that they are
1494 considering. We collaborate on things like the interagency
1495 methane strategy, et cetera.

1496 Mr. {Terry.} Yeah, the methane strategy is an
1497 interesting one, too. Now, I will disagree slightly in part
1498 with Mr. Waxman on market forces being simply prices, because
1499 sometimes energy feed stock sources are regional. For
1500 example, Nebraska, being a couple hour train ride for Powder
1501 River Basin coal, and so therefore Nebraska's heavily reliant
1502 on that level of coal. But it appears that some of the rules
1503 that the EPA is promulgating would force some of those
1504 smaller, older power--coal-fired power plants to spend more
1505 than the building or facility is worth to change to natural
1506 gas, or close. So I want to know if the electric delivery
1507 and energy reliability department sub-agency is working with
1508 EPA to figure out reliability when we have large gaps in
1509 production electrical generation in states like Nebraska if
1510 these rules become permanent?

1511 Mr. {Moniz.} I would say that there are three places in
1512 the Department that address these kinds of issues.

1513 Mr. {Terry.} All right.

1514 Mr. {Moniz.} I mean, one of course is EIA just on a
1515 purely data basis.

1516 Mr. {Terry.} Right.

1517 Mr. {Moniz.} The Office of Electricity, as we
1518 mentioned. But the third, and in some sense maybe the most
1519 active at the moment in the way you are mentioning is the
1520 Energy Policy and Systems Analysis Office, because in the--in
1521 this quadrennial energy review, for which they play a key
1522 role, this whole question of reliability and resilience of
1523 energy infrastructure is the focus area for this year.

1524 Mr. {Terry.} Okay. And in that regard, and what
1525 happened in California, the Department, do they do a risk
1526 assessment on the vulnerability of the powered grid, either
1527 by an attack that occurred out in California, or even at a
1528 higher level that seems to be the rage in a lot of TV shows,
1529 EMPs.

1530 Mr. {Moniz.} Well, we have--on the first part, we have
1531 worked together with Homeland Security and state agencies,
1532 the Deputy Secretary in particular. We have had 13 regional
1533 meetings to address the issues of physical security. We work
1534 with utilities very closely. The utilities have done
1535 probably more than has been acknowledged in the press
1536 already, but there is a ways to go. The last meeting was
1537 just--the last of these meetings was just a week ago Friday,
1538 in fact, in New York. That was the last of the 13 meetings.
1539 ENPs is on the screen.

1540 [Slide]

1541 The--in our look at resiliency of infrastructure, both
1542 electricity and fuels, we are trying to start an analysis
1543 based on integrated sets of risks. So it is extreme weather.
1544 It is cyber. It is physical. It is ENPs. And it is the
1545 interdependencies of infrastructures as a risk in and of
1546 itself. Yield back.

1547 Mr. {Whitfield.} The gentleman's time has expired. At
1548 this time, I will recognize the gentlelady from California,
1549 Ms. Capps, for 5 minutes.

1550 Mrs. {Capps.} Thank you, Mr. Chairman. And thank you,
1551 Secretary Moniz, for being here today for your testimony. I
1552 am a longtime supporter of the Department of Energy's efforts
1553 to develop clean, renewable energy technologies. And of the
1554 many renewables out there, wind and solar are obviously the
1555 furthest along. But there are some other promising
1556 renewables in the works, including marine and hydrokinetic or
1557 MHK technologies.

1558 As you know, federal investments are crucial to
1559 advancing these technologies to commercial viability. And I
1560 will quote the DOE, as you stated in your 2015 budget
1561 justification. ``DOE plays a critical role in MHK
1562 technologies because of their nascent stage of development,
1563 which is similar to that of wind and solar technologies 20
1564 years ago.

1565 I have three questions around this topic, pretty
1566 specific or brief, if you will. Could you expand upon this
1567 point briefly? Why is DOE's involvement so important for
1568 developing these technologies at this early stage?

1569 Mr. {Moniz.} Well, I think as you said, as with others,
1570 the early stage is very hard to attract private sector
1571 funding, at least if it is not leveraged with some public
1572 funding.

1573 Mrs. {Capps.} You can recall that I--perhaps I can--
1574 that I raised this issue with you last September during a
1575 hearing as well. And you responded by saying that DOE was
1576 looking for ways to increase support, just as you just did,
1577 for what you referred to as these forgotten renewables, if
1578 you will. Given this perspective, I was puzzled to see a 25
1579 percent decrease for MHK in DOE's budget request this year.
1580 This was particularly troubling when compared to the 20
1581 percent increase for the Energy Efficiency and Renewable
1582 Energy, EERE, office overall. So what is with this
1583 divergence? Why did the relatively small MHK budget get such
1584 a sharp reduction?

1585 Mr. {Moniz.} Well, we did increase in terms of the
1586 other renewables, geothermal and in water.

1587 Mrs. {Capps.} Yes. Yes.

1588 Mr. {Moniz.} Within water, what the program did was

1589 rebalance because it was viewed as the relatively near term
1590 major micro-hydro opportunity. So they rebalanced. But, you
1591 know, I have said already I am--you know, I am happy to
1592 reexamine the balance of that with members who are
1593 interested.

1594 Mrs. {Capps.} I appreciate that, because I would like
1595 to question, you know, and say I like the old balance before.
1596 Some of my research companies do as well. It wouldn't take
1597 much to make a really big difference for these MHK industries
1598 right in such a critical time, as you know, in their
1599 development.

1600 Mr. {Moniz.} Um-hum.

1601 Mrs. {Capps.} I encourage the Department to make these
1602 investments, if you can. But even with this limited funding,
1603 I applaud you for making such good progress. In my district
1604 alone, DOE has funded two promising ocean energy projects, a
1605 local company called Aquantis is leveraging DOE investments
1606 to develop a cutting edge turbine to harness energy from
1607 ocean currents. And Cal Poly University in San Los Obispo in
1608 my district received funding to start planning a promising
1609 wave energy demonstration off--a project off the coast of
1610 California--central coast. I am proud to say that Cal Poly
1611 is one of only two projects selected in the country.

1612 Now, I want to ask you if DOE plans to provide continued

1613 support for these demonstration projects to help them get up
1614 and running. Is that critical as we--you acknowledge and I
1615 agree that what they call they dark phase of trying to
1616 attract funding from the outside when you--

1617 Mr. {Moniz.} Um-hum.

1618 Mrs. {Capps.} But so much promise is held there in this
1619 area. What are the next steps?

1620 Mr. {Moniz.} Well, I can assure you, first of all, I
1621 will go back and look at those projects. I am not up to the--
1622 -on the specifics. And will get back to you in terms how
1623 that looks going forward.

1624 Mrs. {Capps.} Excellent. I appreciate that.

1625 Mr. {Moniz.} Right.

1626 Mrs. {Capps.} Because I believe, as many of the folks
1627 who have done the research in my district have demonstrated
1628 to me, this holds great promise for the future. But it isn't
1629 yet to that stage that solar and wind are now even.

1630 Mr. {Moniz.} Um-hum. Yeah. It is longer term.

1631 Mrs. {Capps.} That is right. And so I would encourage
1632 you to explore in this direction. And I thank you very much
1633 for being here.

1634 Mr. {Whitfield.} The gentlelady yields back the balance
1635 of her time. Are you--

1636 Mrs. {Capps.} Yes. Oh, I am sorry. I do. Yes.

1637 Mr. {Whitfield.} Okay. At this time, I recognize the
1638 gentleman from Ohio, Mr. Latta, for 5 minutes.

1639 Mr. {Latta.} Thank you, Mr. Chairman. And, Mr.
1640 Secretary, thanks again for being with us today. And I know
1641 that I think from the last time you were here, I mentioned
1642 this before, but I think it is worth mentioning again that
1643 because, you know, we all have to look at who we represent.
1644 I represent about 60,000 manufacturing jobs in northwest and
1645 west central Ohio. And recently, I have heard from one of
1646 the--my constituent companies out there. And it is a large
1647 manufacturer that they had--they are in a voluntary
1648 curtailment contract with a local utility. In the years
1649 past, the agreement with the utility has amounted to some
1650 small savings for that company during these demands during
1651 the peak periods. But recently, the curtailments have often
1652 not really given any savings, because they have been actually
1653 cut back because we have had a pretty tough winter in Ohio
1654 and utilities are asked to, you know, do what they could. So
1655 they asked the companies. So it is important in these cases,
1656 because the minor savings that they had enjoyed are gone now.
1657 And it is also important that because of that, they have lost
1658 production time which means that if folks aren't working,
1659 people aren't bringing home a paycheck. And, you know, the
1660 employees of course got reduced hours. And then of course

1661 when you put that in--when people take their paychecks home
1662 with the increased electrical bills and more expensive
1663 healthcare premiums and things like that, it is pretty tough.

1664 So my concern and the concern of the manufacturers that
1665 I represent is that the problems today are only going to get
1666 worse as more and more of our coal powered generation units
1667 are being retired as a result of the Administration's
1668 regulations. And it is also important to note again, in Ohio
1669 that 78 percent of our energy in Ohio is coal based. And in
1670 some parts of the state, particularly at my area, it is even
1671 greater than that 78 percent.

1672 So my first question is what will DOE do, and you, to
1673 ensure that this nation's manufacturers have access to
1674 reliable and affordable electricity going forward? And
1675 again, a lot of my manufacturers are ones out there that
1676 really need that base load capacity because they run forges
1677 and everything else. So what can we expect in the future
1678 from the DOE?

1679 Mr. {Moniz.} Well, basically, I would say all of the
1680 above is part of addressing the electricity system, not only
1681 the electricity but certainly in that area. The fact is I
1682 think rates in general for consumers have come down with the
1683 natural gas revolution. And of course, that has also
1684 stimulated more manufacturing. Again, we have had perhaps

1685 125 billion dollars invested in new manufacturing capacity
1686 directly associated with the natural gas revolution. We will
1687 continue to work on the technology side to drive costs down
1688 for all of the energy sources. And also as was mentioned
1689 earlier, storage eventually to help with variable sources.
1690 And we will continue to--in this budget request, we will
1691 continue to have a major focus on trying to develop the
1692 foundational technologies for our advanced manufacturing
1693 future.

1694 Mr. {Latta.} Well, and I agree that, you know, we are
1695 seeing, you know, an explosion out there on the natural gas
1696 side, which is tremendous for our country. But, you know, in
1697 Ohio, we are very fortunate. In the eastern side of the
1698 state, we do have the Utica Shale. And of course, in
1699 Pennsylvania, you have Marcellus. But we just can't retrofit
1700 these plants. You know, the costs would almost be the costs
1701 of building a new plant in the retrofits. So these costs are
1702 going to be passed along to these manufacturers. So, you
1703 know, don't you agree that our manufacturers out there, to
1704 stay competitive across the world, have to have, you know,
1705 utility rates that are competitive, not just here in this
1706 country but across the world?

1707 Mr. {Moniz.} Well, and I think that is what we are
1708 seeing. We are seeing that the whole mentality

1709 internationally has changed about now the United States being
1710 a kind of a manufacturing center increasingly. And that is--
1711 a large part of that is because of our energy costs. So
1712 maintaining that edge is--

1713 Mr. {Latta.} Let me ask this. I know my time has run
1714 out. I just have one last question for you. If you would
1715 see that EPA regulations out there are going to impair
1716 electricity reliability and raise rates, would you raise
1717 that--those concerns directly to the EPA?

1718 Mr. {Moniz.} Well, again, in the--we--obviously, we
1719 communicate. But especially this year in our--in this
1720 quadrennial energy review, it will be looking across the
1721 Administration in an integrated way at how we maintain and
1722 sustain and develop energy infrastructure that serves the
1723 goals that you have stated.

1724 Mr. {Latta.} Mr. Chairman, I see my time has expired,
1725 and I yield back.

1726 Mr. {Whitfield.} The gentleman's time has expired. At
1727 this time, I recognize the gentleman from Pennsylvania, Mr.
1728 Doyle, for 5 minutes.

1729 Mr. {Doyle.} Thank you, Mr. Chairman. And, Secretary
1730 Moniz, welcome to the Committee. It is a pleasure to have
1731 you here.

1732 Mr. Secretary, the National Energy Technology Lab budget

1733 is something that I have a particular interest in. And as
1734 you may know, my colleagues on both sides of the aisle have
1735 asked the appropriators that the NETL be funded at 775.5
1736 million for fiscal year 2015. And of course, the President's
1737 budget has a number that is much, much lower than that. I
1738 wonder if you could elaborate on the Administration's vision
1739 for the NETL as it relates to the President's fiscal year
1740 2015 budget request, and could you hypothesize about the
1741 effects of the President's proposed budget on both research
1742 and jobs in southwestern Pennsylvania and West Virginia as it
1743 relates to the NETL?

1744 Mr. {Moniz.} Well, NETL, as you well know, and Mr.
1745 McKinley as well knows, is our lead fossil energy laboratory.
1746 It does have an unusual structure compared to our other
1747 laboratories in being a federal--having federal employees as
1748 opposed to contractor employees. I certainly remain
1749 committed to in particular to be honest to try to build--
1750 continue to build up the research and development activity
1751 within the laboratory. I think that we have room to increase
1752 that. And as one example in our budget submission this year,
1753 an area where NETL certainly has an interest in and strength
1754 is in something like methane hydrates where we proposed an
1755 increase I think from 5 to 15 million dollars, you know,
1756 because this could be--we don't know. But in a couple

1757 decades, this could be the new shale gas going forward. So
1758 those are the things that I will be looking at.

1759 Mr. {Doyle.} Yeah, thank you. And since Mr. McKinley
1760 is asking questions next, I am sure he will follow-up on
1761 NETL. I would like to move to CCS though. The Department's
1762 carbon capture and storage roadmap, which is the blueprint
1763 for DOE CCS investments notes that the Agency is developing
1764 the advanced technology platforms needed to prove that CCS
1765 can be a viable climate mitigation strategy.

1766 Mr. Secretary, I would like to take this opportunity to
1767 hear more about the current status of DOE CCS research
1768 development and demonstration efforts. And in your view, if
1769 you could tell us what role CCS technologies play in the
1770 future of coal in this country and around the world? And
1771 also, while you are addressing that, we know that EPA has
1772 proposed pollution standards for new coal fired plants that
1773 would effectively require such plants to use partial CCS.
1774 Some members of this Committee have asserted that CCS just
1775 isn't feasible for coal fired plants at this time. Dr. Julio
1776 Friedmann from your Department testified in an O&I
1777 Subcommittee that first generation CCS technologies are
1778 proven and commercially available for coal fired power plants
1779 right now. A plant owner can go out and buy them today with
1780 performance. Can you tell me first if you agree with that

1781 assessment, and then maybe elaborate on the Department's
1782 efforts with CCS?

1783 Mr. {Moniz.} Certainly. Again, the technologies are
1784 available today. They have all been used in a number of
1785 venues. And as I said earlier, as with all of our new
1786 technologies, we remain focused on technology development for
1787 further cost reduction. The--in terms of our program, we
1788 have right now eight major projects. And I would note that
1789 most of them are actually CCUS where the U is for utilization
1790 of the carbon dioxide, in this case through enhanced oil
1791 recovery, which obviously then gives you a monetary return
1792 for the CO2.

1793 Mr. {Doyle.} But isn't it true that in certain parts of
1794 the country, that is just not possible because--shared oil
1795 there?

1796 Mr. {Moniz.} Correct. Sure. So that is not--and that
1797 is--in fact, in particular it is no accident that the--of the
1798 eight major projects that we have, the two that do not have
1799 utilization are in Illinois where that is not such an
1800 attractive option.

1801 Mr. {Doyle.} Yes.

1802 Mr. {Moniz.} Although I might say there have been many
1803 interesting discussions about if and when one goes to a
1804 system with lots of capture plants around the country,

1805 including in the Midwest and western Pennsylvania, et cetera,
1806 that there is a lot of interest in building an infrastructure
1807 of CO2 that would go down to the Gulf and then over towards
1808 the Rocky Mountains to have a major CO2 infrastructure.

1809 Mr. {Doyle.} Do you think--

1810 Mr. {Moniz.} That is in the future.

1811 Mr. {Doyle.} Do you think though that CCS technology in
1812 areas like western Pennsylvania where there isn't oil to
1813 recover--if there isn't a recovery part to help pay for the
1814 costs that it is still economically and commercially viable
1815 in those areas?

1816 Mr. {Moniz.} Well, look. I think we are going to have
1817 to keep working to again to drive costs down. And besides
1818 the demonstration projects today, which are using basically
1819 today's technology, we also have--including in RPE, et
1820 cetera, programs to look at new technologies that can have
1821 substantially lower costs. I think we are at the--you know,
1822 I mean the research program for these novel technologies,
1823 next generation technologies, is in a very early stage.

1824 Mr. {Doyle.} Yeah. Mr. Secretary, thank you. I think
1825 that CCS is a key to the Administration's all of the above
1826 strategy if we are going to have one.

1827 Mr. {Moniz.} It is.

1828 Mr. {Doyle.} And I would encourage you to keep the

1829 investments going. Thank you.

1830 Mr. {Moniz.} Yeah. We will.

1831 Mr. {Whitfield.} At this time, I recognize the
1832 gentleman from Texas, Dr. Burgess, for 5 minutes.

1833 Mr. {Burgess.} Thank you, Mr. Chairman. Mr. Secretary,
1834 thank you so much for being here and your forbearance today.
1835 Let us stay on the all of the above strategy concept for just
1836 a moment. I think we have a slide that shows the Office of
1837 Energy Efficiency and Renewable Energy in comparison to other
1838 aspects of the--of your energy budget.

1839 [Slide]

1840 And it is--looking at the bar graph, it is pretty--it is
1841 hard to read the writing. But ERE is the big one. And
1842 everything else are the small ones. So ERE just absolutely
1843 overwhelms like nuclear energy, more traditional fossil
1844 energy and more traditional sources of energy. So it seems
1845 like the Office of Nuclear Energy, Fossil Energy and
1846 Electricity would have critical roles to play in shaping the
1847 future energy policy of the United States. Would--is that a
1848 fair statement?

1849 Mr. {Moniz.} It is. I could comment on the graph,
1850 however, and note that EERE, we might think as two programs,
1851 efficiency and renewables.

1852 Mr. {Burgess.} And I am glad you brought that up,

1853 because I wished you would. And I believe in energy
1854 efficiency.

1855 Mr. {Moniz.} Right.

1856 Mr. {Burgess.} And sometimes coupling it with renewable
1857 energy in fact distracts us from the validity and the
1858 importance of energy efficiency.

1859 Mr. {Moniz.} Right.

1860 Mr. {Burgess.} No one of either political party is
1861 going to run on a platform of wasting energy.

1862 Mr. {Moniz.} Um-hum.

1863 Mr. {Burgess.} So energy efficiency is one of the
1864 things that I should think we should put high on our list.
1865 So in fact for future graphs, I would appreciate the ability
1866 to tease out what is renewable energy and what are the gains
1867 that we can have from expanded energy efficiency.

1868 Mr. {Moniz.} And--

1869 Mr. {Burgess.} You were starting to answer. I will let
1870 you finish.

1871 Mr. {Moniz.} And I want to let you know, I am just
1872 going to add that in the budget request for fiscal year 2015,
1873 in fact, energy efficiency is actually the largest of the
1874 proposed increases.

1875 Mr. {Burgess.} Let us--and will you be able to--can you
1876 provide us those figures?

1877 Mr. {Moniz.} Sure.

1878 Mr. {Burgess.} Okay. Thank you. And we don't need to
1879 go into it now, but if you could make that available? I
1880 think that would be helpful. And I have got a series of
1881 questions that might in fact then not be necessary looking at
1882 those numbers. I have got some questions. The homebuilders
1883 back home are really concerned. You have got energy building
1884 codes that were developed by the Department of Energy and
1885 authorized to serve as the technical advisor during the
1886 development of the codes. Your role has expanded over time.
1887 And now, it has almost moved into the point of advocacy. The
1888 Department of Energy representatives even pursue what is a
1889 very aggressive energy goals that actually increase the cost
1890 of housing by having to meet these requirements. Is that
1891 something that you are willing to take a look at?

1892 Mr. {Moniz.} I--yes. I am not familiar with that. I
1893 will look at it.

1894 Mr. {Burgess.} I can provide you information that has
1895 been provided to me by homebuilders in north Texas.

1896 Mr. {Moniz.} That would be--

1897 Mr. {Burgess.} But apparently, it has been--the
1898 requirements have been out there for some time. The world
1899 has changed around them. But the net effect is we are
1900 expending a lot of money to meet those requirements on

1901 technologies that aren't adding that much to energy
1902 efficiency but really do drive the cost of construction when
1903 other things might be a more reasonable expenditure. So I
1904 will make that information available to your office.

1905 Mr. {Moniz.} Thank you.

1906 Mr. {Burgess.} And I would appreciate your response on
1907 that.

1908 Mr. {Moniz.} Okay.

1909 Mr. {Burgess.} Thank you, Mr. Chairman. With that, I
1910 am going to yield back.

1911 Mr. {Whitfield.} The gentleman yields back. At this
1912 time, I will recognize the gentlelady from the Virgin
1913 Islands, Dr. Christensen, for 5 minutes.

1914 Mrs. {Christensen.} Thank you, Mr. Chairman. And
1915 welcome, Mr. Secretary. We are really excited to have you
1916 here to discuss the 2015 budget for the Department of Energy.

1917 In order to meet the President's clean energy targets by
1918 2020, we must continue to support the development and the
1919 deployment of new innovative clean energy technologies, but
1920 we also much encourage initiatives that support families to
1921 make any change that they can at the household level to make
1922 to increase efficiency. So I am pleased to see that the
1923 weatherization assistance program has been designated a 31
1924 percent increase in funding. And I hope this continues to be

1925 a priority item as it serves critical needs in my district
1926 where residential rate pairs are charged over 51 cents per
1927 kilowatt and commercial over 55 cents. And I know you have
1928 heard me say that before.

1929 The weatherization program allows our local energy
1930 office to assist low-income families to reduce their energy
1931 costs by providing new efficient refrigerators, solar water
1932 heaters, air conditioning, different bulbs and similar
1933 improvements which may seem small for some but go a long way
1934 in our small and tightknit communities. It is also a great
1935 benefit to the local vendors that provide the products and
1936 service for the program.

1937 The state energy program is another key program that we
1938 really depend on a lot to provide energy programs for the
1939 general public, and we want to thank--I want to thank you for
1940 your support of these two important programs.

1941 I want to go back to climate change for a minute. And
1942 much has been said about the intergovernmental panel on
1943 climate change and their new report that was reported earlier
1944 this week that described the impact of climate change on our
1945 natural environment but also warns about the impacts on human
1946 health and safety. The scientists identified several key
1947 risks. One is risk of death, injury, ill-health or
1948 disruptive livelihoods in low-lying coastal zones and small

1949 island developing states like mine, and other small islands
1950 due to storm surges, coastal flooding and sea level rise.

1951 When I was here earlier, you talked about the threats to
1952 utilities and water supplies. Mr. Secretary, would you agree
1953 that the potential impacts of climate change pose a human
1954 health and safety risk to people who live along coastal areas
1955 or islands as well?

1956 Mr. {Moniz.} Certainly. And islands of course are
1957 often quite exposed. Um-hum.

1958 Mrs. {Christensen.} Yes. Periods of extreme heat pose
1959 public health risks, too. How worried should we be that heat
1960 waves resulting from--about the heat waves resulting from
1961 unchecked climate change?

1962 Mr. {Moniz.} Well, again, I think what we see are more
1963 extremes, both hot and cold. We also have the polar vortex,
1964 in fact, recently.

1965 Mrs. {Christensen.} Yes. And the IPCC report also
1966 warns that extreme weather events, as you said, will become
1967 more frequent as the climate warms, will damage
1968 infrastructure and critical services. Given all of these
1969 potential impacts, would you characterize climate change as
1970 also a critical public health challenges, not only an
1971 environmental challenge?

1972 Mr. {Moniz.} Yes, it is an environment, economy, health

1973 and security challenge.

1974 Mrs. {Christensen.} Okay. A lot of times when we talk
1975 about, you know, moving to a greener economy and renewable
1976 fuels, the talk is about the cost and jobs and economic
1977 damage. But we never take into account the public health
1978 cost. And so I just wanted to focus on public health in my
1979 questioning.

1980 Mr. {Moniz.} Um-hum.

1981 Mrs. {Christensen.} Thank you, Mr. Secretary. And
1982 thank you for being here.

1983 Mr. {Whitfield.} The gentlelady yields back. At this
1984 time, I will recognize the gentleman from Louisiana, Dr.
1985 Cassidy, for 5 minutes.

1986 Mr. {Cassidy.} Thank you, Mr. Chairman. Mr. Moniz, how
1987 are you?

1988 Mr. {Moniz.} Hello.

1989 Mr. {Cassidy.} Listen. I am following up with
1990 something that Mr. Hall asked earlier regarding the offshore
1991 deep water port facilities for liquefied natural gas. Now,
1992 as I am told--I was in another meeting. I was told that you
1993 had mentioned kind of a lack of familiarity with it, but you
1994 would look into it. Now, my concern is that I have here a
1995 letter dated October the 18th, 2013, from Mr. Jonathan Levy,
1996 Deputy Chief of Staff of the Office of the Secretary of the

1997 DOE, and he was requesting that the--that there would be a
1998 parallel process to review these offshore LNG terminals as
1999 opposed to the FERC terminals. Now, since we are looking to
2000 see how we can expedite the approval of these processes, and
2001 I gather in the FERC process, whichever comes off next is the
2002 one that you review next, clearly, we have something which is
2003 outside FERC. It is a parallel agency. And this seems
2004 something that again the secretary suggested that you all
2005 would set up the parallel process.

2006 So with that introduction, it is kind of troubling to me
2007 that you would not be familiar with it. It tells me that if
2008 the letter came October 18--and it refers actually to another
2009 letter from 2012--that this would not be a priority for your
2010 agency. And if it is not a priority, it is probably not
2011 going to happen. Can you reassure me regarding my concerns?

2012 Mr. {Moniz.} And as I said to Mr. Hall, I think, I will
2013 certainly go back and look at this whole issue of the MARAD
2014 approvals in the queue.

2015 Mr. {Cassidy.} Yeah, if you could, because, frankly, it
2016 seems like a parallel process is indicated, particularly if
2017 we are trying to make export of LNG a priority. And, again,
2018 my concern, the fact that it is kind of an unknown issue
2019 suggests that it is not a priority. Those are jobs in my
2020 state.

2021 Mr. {Moniz.} No. To be clarify--I mean, I am certainly
2022 aware of the issue of the MARAD approvals in lieu of FERC
2023 approvals for that. I am just--I just have to go back and
2024 look at where we stand in that discussion.

2025 Mr. {Cassidy.} Okay.

2026 Mr. {Moniz.} I don't want to give misinformation.

2027 Mr. {Cassidy.} Okay. Thank you. Let me change gears
2028 to mixed oxide fuel fabrication. Does that plant on the--in
2029 South Carolina, I gather that the Department of Energy is
2030 seeking to put in I would call it mothball. I think it is
2031 called cold standby. Now, it is my understanding that this
2032 was not supposed to be done because Congress had indicated
2033 that this process should be created, that we are now 60
2034 percent through with the process and it is going to cost a
2035 certain amount of money to put it in cold standby that
2036 actually could be used for the completion of the project. So
2037 if--but again, I gather that it is being shut down, if you
2038 will, because if your concerned about the cost. Can you give
2039 us that cost analysis to put the facility into the cold
2040 shutdown? How much will it cost to do so?

2041 Mr. {Moniz.} Oh, well, first of all, there are several
2042 analyses about the large lifecycle cost, which are frankly
2043 all converging to this 30 billion dollars or so.

2044 Mr. {Cassidy.} Now, I am told there is a--

2045 Mr. {Moniz.} Like--

2046 Mr. {Cassidy.} I am sorry. I don't--limited time. I
2047 am sorry. I am told there is a GAO report that pegs it at 24
2048 billion.

2049 Mr. {Moniz.} Yeah. So the GAO said 24 billion. But it
2050 acknowledged that it had left things out and suggested it was
2051 likely to be higher. And so I think I would put them and the
2052 DOE analysis and the Army Corps of Engineer analysis of the
2053 facility are all consistent in terms--

2054 Mr. {Cassidy.} Now, I am told that that Army Corps
2055 analysis is not yet public. Are--is that going to be made
2056 public?

2057 Mr. {Moniz.} I anticipate it will be. Yes. It was not
2058 full lifecycle. That was for the capital facility.

2059 Mr. {Cassidy.} Uh-huh.

2060 Mr. {Moniz.} But on that part, it was in line--in fact,
2061 a little bit higher than our estimate. So again, the
2062 approach was that 30 billion dollar lifecycle looks like
2063 pretty hard to sustain. So we felt that in the fiscal year
2064 2015 budget, we proposed roughly 220 million dollars for
2065 options analysis to make sure in the end the Administration
2066 and the Congress have got to--we have to come together to
2067 decide, you know, how are we going to dispose of this
2068 plutonium. Is a 30 billion dollar project the way to go?

2069 The standby--

2070 Mr. {Cassidy.} So is there--I am almost out of time.

2071 So if there is an alternative, has the alternative been

2072 identified? And if so, what would be the lifecycle cost of

2073 the alternative?

2074 Mr. {Moniz.} There was a National Academy report in the

2075 1990s that identified 31 alternatives. We have restricted

2076 that to four or five. Some are reactor alternatives. Some

2077 are non-reactor alternatives. Our initial look suggests that

2078 some of these are as expensive, but some may not be. So that

2079 is what we need to work up and come to the Congress with in

2080 terms of the path forward. We want to make sure that in the

2081 standby, nothing is irreversible, because MOX remains an

2082 option in the suite.

2083 Mr. {Cassidy.} Okay. I am out of time. I yield back.

2084 Thank you.

2085 Mr. {Whitfield.} AT this time, the Chair recognizes the

2086 gentleman from Texas, Mr. Olson, for 5 minutes.

2087 Mr. {Olson.} I thank the Chair. And welcome back,

2088 Secretary Moniz.

2089 Mr. {Moniz.} Thank you.

2090 Mr. {Olson.} My questions today will focus on the

2091 nuclear power workforce, grid challenges during disasters

2092 and, for a change, LNG exports.

2093 First, the energy nuclear power workforce. The South
2094 Texas Project in Bay City, Texas, is key to the Gulf Coast
2095 grid. It provides reliable, affordable power to the entire
2096 Houston area. It has been doing that since 1988. However,
2097 STP is dealing with an aging workforce. Workers are
2098 retiring, and there aren't enough qualified replacements.
2099 Now, Wharton County Junior College is stepping up to the
2100 challenge, led by the great president, Betty McCrohan.
2101 Wharton has opened a fourth campus in Bay City. And with the
2102 help of the Matagorda County Judge, Nate McDonald, they are
2103 offering two-year degrees, Associate Degrees, in three
2104 nuclear power specialties. I would love to have you come
2105 down and see that facility some time, if you are going by the
2106 South Texas plant.

2107 But nationally, nuclear power workers in stem aren't as
2108 exciting as four-year--degrees. And that concerns me. I am
2109 proud. I graduated from ICE University and from UT Law
2110 School. But lawyers like me who never practice law and--
2111 majors are great with pens and paper but terrible with fixing
2112 combined cycle gas turbines. And so my question is, what do
2113 you see when we look at our energy workforce? Is there
2114 anything DOE can do in its budget relating to finding the
2115 next generation of scientists, engineers or high-tech
2116 construction workers?

2117 Mr. {Moniz.} Well, we--I think, you know, we do have
2118 somewhat limited authorities in terms of, you know, direct
2119 educational programs. But I think this issue of workforce in
2120 a number of areas are relevant--are of relevance to the
2121 Department's missions. It is a major challenge. By the way,
2122 we have the same issue in some of our laboratories in terms
2123 of the nuclear workforce. So we would like to work to find
2124 ways to focus on core disciplines--core areas of relevance to
2125 the energy space where we might look at increasing things
2126 like internship programs, traineeship programs, that kind of
2127 activity. Because I agree. In fact, Mr. Rush mentioned
2128 earlier in terms of the minorities in energy, it is--we are
2129 not--we need more people coming into the workforce. And that
2130 is only going to be helped if we work across the entire
2131 spectrum, gender, race, et cetera. So I would love to work--
2132 I would be happy to work with you. And--

2133 Mr. {Olson.} By yourself or--

2134 Mr. {Moniz.} I would sent Pete Lyons up to see you.

2135 Mr. {Olson.} There you go. Send him down there to Bay
2136 City, Texas.

2137 Mr. {Moniz.} Great.

2138 Mr. {Olson.} My second question is about grid recovery
2139 and disaster. The 2014 hurricane season starts June 1. My
2140 hometown of Houston, the whole area is in Hurricane Alley.

2141 As we have seen, the grid can be very vulnerable in severe
2142 weather. Keeping lights and air conditioning on should be a
2143 top priority for all of us. When Hurricane Ike hit in 2008,
2144 2 million people lost their power. DOE's budget has some
2145 priorities I think are interesting. You want to spend five
2146 times the amount on wind energy, 115 million. Then on energy
2147 infrastructure security and restoration, 22.6 million.
2148 Texans love wind. We are the number one proofs of wind in
2149 America. But we also remember America's most disastrous
2150 hurricane, the Galveston Hurricane of 1900 when over 6,000
2151 people, minimum, were killed. Should I be concerned by DOE's
2152 priorities here?

2153 Mr. {Moniz.} Well, I think frankly we are trying to
2154 ramp up our emergency response capability, and also our what
2155 you might call prevention possibility through looking at--to
2156 make our infrastructure more resilient so that if something
2157 does happen, it doesn't go down. Or if it goes down, it
2158 comes back faster. So that is a big focus of us--for us.
2159 We--again, we have some specific proposals in the fiscal year
2160 2015 budget to amplify these capacities. One is to have a
2161 dedicated energy infrastructure response center. It is--I
2162 forget, it is 6 or 8 million dollars proposal to outfit a
2163 place where we can look at the country's infrastructure and
2164 help us in directing federal assets to assist with recovery.

2165 We also propose to place one person in each of the FEMA
2166 districts to understand the region specific issues with
2167 regard to risks. And we feel that, you know, that having a
2168 person embedded in that way, you really understand the local
2169 situation, and you can understand who to call quickly. Where
2170 there are problems, you could do training, all kinds of
2171 things. So those are two specific initiatives on emergency
2172 response. But in addition, in the quadrennial energy review,
2173 there is basically going to be two major focuses. One is
2174 electricity system, and the other one is the fuels
2175 infrastructure. And on the latter, for sure, we are going to
2176 do region by region analyses of the--of resilient fuels
2177 infrastructure, because we have seen different problems in
2178 all different parts of the country. Just recently, the
2179 propane for example in the--especially in the upper-Midwest,
2180 although it went to other parts of the country as well.

2181 So we really are building in this area. We think it is
2182 a high priority.

2183 Mr. {Olson.} Come see Wharton County Junior College, my
2184 friend. I yield back.

2185 Mr. {Whitfield.} At this time, I recognize the
2186 gentleman from West Virginia, Mr. McKinley, for 5 minutes.

2187 Mr. {McKinley.} Thank you, Mr. Chairman. And thank you
2188 again, Mr. Secretary, for appearing before us. I want to

2189 build off a little bit of what Mr. Green--

2190 Mr. {Whitfield.} Would the gentleman move the
2191 microphone up? Yeah. Thank you.

2192 Mr. {McKinley.} I have to hold it, I guess. The--I
2193 want to build off what Doyle and Green both talked about with
2194 NETL and CCS. The back--so the backdrop of my question is
2195 going to have to do with that. There are folks that will
2196 contend, and maybe justifiably, that some of the climate
2197 change involves CO2 emissions. I am not going to disagree
2198 there is climate change. The question I think is how much is
2199 manmade. Are you with me on--

2200 Mr. {Moniz.} Yeah, I am trying--yeah, I think it--

2201 Mr. {McKinley.} How much of it is manmade. So I just--
2202 just looking at a chart that we put together. Yeah. Because
2203 the variable is the amount produced by man.

2204 [Chart].

2205 And in this chart, you see that almost 70 percent comes
2206 from fossil fuels of the energy produced. Now, the second
2207 chart shows that.

2208 [Chart]

2209 The second chart shows that very little is being spent
2210 in research in fossil fuels. And if that indeed is the
2211 problem--if fossil fuels is the problem, I don't understand
2212 why there is a disconnect between that and the research with

2213 that, because you can look at it. The research dollars is
2214 only around 18 percent. But more specifically, for NETL, the
2215 fossil energy research has been cut by over 15 percent. And
2216 importantly, the comment that was raised over there that
2217 carbon capture, one of the keys to the future of using fossil
2218 fuels and under some of the regulations that are being issued
2219 by the EPA, they have cut the research money in carbon
2220 capture by 16 percent. They have cut the--on carbon storage
2221 by 26 percent. If we are serious about trying to include
2222 fossil fuels in our energy matrix, I think someone is being
2223 disingenuous about their interest in all of the above. And
2224 rather, there truly is this war on coal. So is this--are we--
2225 --do you think the President is deliberately trying to
2226 discredit or diminish the use of coal in America?

2227 Mr. {Moniz.} Again, in terms of the R&D numbers for
2228 example, again, I respectfully feel that this does not give
2229 the full picture. I mean, the--this Administration is
2230 unprecedented in its investments in coal, CCS in particular--
2231 CCUS, with 6 billion dollar.

2232 Mr. {McKinley.} Okay. Then why do we see cuts of 40
2233 and 40 some percent with NETL? That is--

2234 Mr. {Moniz.} But 6 billion dollars in CCUS. And right
2235 now, an active loan program solicitation of 8 billion dollars
2236 for fossil fuels generally. I can't get into the specifics

2237 of some of the initial proposals. It is a rolling--there
2238 will be more proposals.

2239 Mr. {McKinley.} Mr. Secretary--

2240 Mr. {Moniz.} But there is coal--

2241 Mr. {McKinley.} You can appreciate, we have that 5
2242 minute drill we have to--we have limited ability to ask
2243 enough questions here. But the--my focus again is over NETL.
2244 It is providing increase research dollars into NETL. And I
2245 think it sends a message to the laboratories, both in
2246 Pennsylvania and West Virginia, that we are serious about
2247 them, whether that is a chemical loop, whether that is a
2248 fracking techniques, and all the things that have been
2249 developed at NETL that they will continue, that they can
2250 count on, that their employment is secure.

2251 Mr. {Moniz.} Um-hum.

2252 Mr. {McKinley.} I think it also sends a message if we
2253 split the proper amount of money in NETL. We are sending a
2254 strong message to the coalminers all across America in the
2255 coalfields that their jobs are secure, that there is a future
2256 for coalmining. And it just eliminates the uncertainty. I
2257 am--I use that backdrop as--for NETL. But also if we
2258 continue this attack on coal and fossil fuels, and not put
2259 the money into the research, if we de-carbonize America, do
2260 you really think the health of the world will improve that

2261 much if America alone, by itself, were to not burn fossil
2262 fuels? Do you think the health of the world would be better?

2263 Mr. {Moniz.} Well, first, let me say, I will go back
2264 and look at the NETL program specifically. Number two, I--as
2265 mentioned earlier, things like methane hydrates, I think we
2266 tripled, which will be a NETL interest.

2267 Mr. {McKinley.} Sure.

2268 Mr. {Moniz.} Third, on the last question, we all
2269 recognize that obviously the United States alone cannot
2270 change the trajectory. But what we do is very, very
2271 important. And I think, and the President feels--

2272 Mr. {McKinley.} But wouldn't the other nations--

2273 Mr. {Moniz.} And we will share leadership here.

2274 Mr. {McKinley.} But, Mr. Secretary, the other nations
2275 aren't following us. Germany is building more coal fire
2276 power houses. So my message is until we get a global
2277 unanimous effort to try to do this, why do we continue to
2278 attack our coal industry and diminish it and cause
2279 uncertainty with it? I am past my time. I am sorry. And I
2280 would go back to--

2281 Mr. {Moniz.} Again, I would just say that we are making
2282 unprecedented investments in coal, huge in scale.

2283 Mr. {Whitfield.} The gentleman's time has expired. At
2284 this time, I will recognize the gentleman from New York, Mr.

2285 Engel, for 5 minutes.

2286 Mr. {Engel.} Well, thank you very much, Mr. Chairman.
2287 Thank you, Mr. Secretary. I just want to first say that
2288 overall I am satisfied with the President's fiscal year 2015
2289 budget, the Department of Energy. At a time of significant
2290 alarm over climate change, I am encouraged that the budget
2291 request offers a 2.6 increase above fiscal year 2014. And I
2292 am particularly interested in the budgeting for alternative
2293 transportation fuels. I want to commend you and the
2294 President for proposing a 2 billion set aside for an energy
2295 security trust, as well as other investments in alternative
2296 fuels and energy efficiency.

2297 For many years, I have introduced the Open Fuel Standard
2298 Act just recently with my colleague from Florida, Ileana Ros-
2299 Lehtinen. I have done this for the past several years with
2300 bipartisan support from this Committee. And I do believe
2301 that this legislation will drive--help drive domestic
2302 production of all types of alternative fuels, while
2303 decreasing our reliance on foreign oil from hostile regimes.
2304 And it has also been the goal of my oil and national security
2305 caucus, which is focused on ways to reduce our dependence on
2306 foreign oil while making the U.S. energy independent.

2307 So, Mr. Secretary, in the past, you have mentioned
2308 electric vehicles. Can you expand on what other types of

2309 alternative fuels you foresee being developed and funded
2310 through the energy security trust?

2311 Mr. {Moniz.} Well, I think the--first of all, with
2312 regard to vehicles, let us say very broadly, I think there
2313 are three major thrusts on what we are trying to accomplish.
2314 One is efficiency vehicles. Second is alternative fuels.
2315 The open fuel standard would be--fit in there, of course.
2316 And third, electrification. And we think they are all
2317 important directions, and in fact can work together. So on
2318 the electric vehicles, if you want to focus on that first, we
2319 of course are continuing the battery research. But issues
2320 such as light-weighting have very, very important
2321 implications for electric vehicles because of range issues,
2322 et cetera. So we are pushing on that. And yesterday, we had
2323 a discussion with the auto suppliers of the United States in
2324 terms of the advanced vehicle--advanced technology vehicle
2325 program at DOE. And they are noted that much of the--almost
2326 any plugin hybrid sold in--anywhere has some DOE driven
2327 technology in it. And this provides new opportunities for
2328 our suppliers.

2329 Mr. {Engel.} Thank you. I want to just make a couple
2330 of statements about some things pertaining to New York. And
2331 you could submit it to me, because we only have 5 minutes. I
2332 know there is not time. But, obviously, about Hurricane

2333 Sandy is something that we are still feeling the pangs of in
2334 the northeast. During that hurricane or super storm,
2335 significant fuel supply shortages in New York City area were
2336 caused by damages to supply train components in New Jersey.
2337 And the City and State have no authority--regulatory
2338 authority to intervene, and it has caused problems. I am
2339 told New York City requested that DOE and the National
2340 Petroleum Counsel to convene a regional working group to
2341 develop a strategy for securing physical infrastructure like
2342 pipelines, refineries and terminals. So I am wondering if
2343 you could submit to me--you don't have to do it now--an
2344 update on the status of the working group and its findings.
2345 And I also would like to ask you to have the Agency follow-up
2346 with my office and the City to discuss the findings, and to
2347 address some of the jurisdictional concerns that took place
2348 after the storm.

2349 Mr. {Moniz.} Certainly. I charged the National
2350 Petroleum Counsel last October to do this fuel resiliency
2351 studies. And it will involve as well these issues of
2352 authorities and seams in gaps of authorities. So that is
2353 very important. And we will get back to you--to your office.

2354 Mr. {Engel.} Thank you. And, finally, I just want to
2355 mention the whole issue of fracking and with the difficulties
2356 we are having with Russia bullying all the neighboring

2357 countries, whether the United States should export natural
2358 gas and other such things. Can you address what steps DOE is
2359 taking to deal with environmental concerns that are a result
2360 of fracking, such as methane leaks and groundwater
2361 contamination? People in my district get very nervous about
2362 it. I have spoken with the people that do this. And they,
2363 you know, assure me. I have been to Alberta. I have been to
2364 North Dakota. And they assure us that there is no damage of
2365 any contamination. Can you tell us what your observations
2366 are?

2367 Mr. {Moniz.} Well, we have been I think consistently
2368 stating that the environmental--the footprint issues of
2369 production, they are challenging but they are manageable.
2370 The issue is you have to manage them. And we still think
2371 there are ways to go. For example, our Secretary of Energy
2372 Advisory Board just last Friday, I think it was, finalized a
2373 report on--called Frack Focus, looking at the issues of
2374 disclosures of chemicals, et cetera, et cetera. And while,
2375 you know, it gave some credit for progress, it also pointed
2376 out many areas of possible improvement. So what we are doing
2377 is, whether it is research or it is on issues like this where
2378 we are trying to push for a continuous improvement, best
2379 practices is absolutely critical in all cases. So,
2380 obviously, it has been a big boom to our economy. It will

2381 continue to be one. But we need to keep working on the
2382 footprint. And the methane--and the last--we have an
2383 interagency methane strategy where again we will have a lot
2384 of responsibilities, not only in production but in things
2385 like mid and downstream gas transportation.

2386 Mr. {Engel.} Thank you.

2387 Mr. {Whitfield.} The gentleman's time has expired.

2388 Mr. {Engel.} Thank you, Mr. Chairman.

2389 Mr. {Whitfield.} At this time, I will recognize the
2390 gentleman from Illinois, Mr. Kinzinger, for 5 minutes.

2391 Mr. {Kinzinger.} Thank you, Mr. Chairman. Mr.
2392 Secretary, thank you for being here, and thanks for serving
2393 your country.

2394 In 2010, the National Insulation Association, in
2395 conjunction with the Department of Energy, estimated that the
2396 simple maintenance of mechanical insulation in industrial and
2397 manufacturing plants could deliver 3.7 billion in energy
2398 savings every year. In today's budget climate, would you
2399 agree that it makes sense to pursue cost saving measures such
2400 as the increase use and maintenance of mechanical insulation
2401 in federal buildings and facilities to help save hardworking
2402 taxpayer dollars and overall energy consumption?

2403 Mr. {Moniz.} Absolutely. Efficiency of buildings is a
2404 major opportunity.

2405 Mr. {Kinzinger.} Has your Agency, through its federal
2406 energy management program or any other program, ever
2407 evaluated the potential energy savings available to federal
2408 agencies through the greater utilization or upgrading to
2409 mechanical insulation in federal facilities?

2410 Mr. {Moniz.} I don't know the answer to that question,
2411 but I will find it.

2412 Mr. {Kinzinger.} Okay.

2413 Mr. {Moniz.} If I could get back to you--

2414 Mr. {Kinzinger.} Well, would you commit to evaluating
2415 the potential source, the energy savings?

2416 Mr. {Moniz.} Yes.

2417 Mr. {Kinzinger.} Mr. Secretary, as we have seen in this
2418 Committee and others, Russia has been energy--wielding its
2419 energy prowess on the world stage for some time now. Not
2420 only do they supply the majority of natural gas to our
2421 European allies, but they are also exporting their nuclear
2422 technology at a rapid pace. In fact, I was recently in
2423 Hungary. And they signed another agreement with the Russians
2424 in terms of nuclear production. In fact, Russia has either
2425 built or is in the process of building 36 reactors around the
2426 world. The last time we had a chance to talk on this
2427 Subcommittee, I expressed my concerns that a vacuum of U.S.
2428 nuclear energy exports would occur in the very near future if

2429 your Agency did not set out clear and concise guidelines to
2430 push forward an effective nuclear energy policy. I believe
2431 the U.S. should be the leader in the realm of nuclear
2432 expertise. But Russia's influence in nuclear energy exports,
2433 and therefore their geopolitical influence, seems to be
2434 expanding beyond ours. What are you doing, and your Agency
2435 doing, to reestablish our competitiveness in this area?

2436 Mr. {Moniz.} Well, it is a whole variety of things.
2437 One is we did provide a loan guarantee for the new AP1000
2438 construction reactors in Georgia. We are pursuing of course
2439 R&D. But in addition to that, I might say on a very
2440 different vein, we do do--when sanctioned by the government,
2441 we have been very active in promoting U.S. technology abroad,
2442 including quite recently the--I think there is a lot of
2443 promise for both Westinghouse and GE technologies right now
2444 abroad. The fact that we are building in this country makes
2445 a huge difference in terms of being able to promote the
2446 technology. China is building a whole bunch of Westinghouse
2447 reactors. But just as one comment, Russia--you mentioned
2448 Russia. I would just note that in some cases, they do
2449 something that we can't do--

2450 Mr. {Kinzinger.} Right.

2451 Mr. {Moniz.} --which is essentially provide the
2452 financing and make it a turnkey operation.

2453 Mr. {Kinzinger.} Yeah, and I appreciate that. And I
2454 think that is a conversation as a Congress we have to have,
2455 and with the Administration in terms of that. Because,
2456 obviously, the Russians are providing this financial support
2457 for a reason, for a geopolitical advantage. So when we don't
2458 do things like that, or we are not competitive in this arena,
2459 I think it affects us geopolitically.

2460 As the Chairman noted earlier, and it was mentioned
2461 earlier, I also have concerns with your decision to stop the
2462 construction of the MOX plan in South Carolina. Beyond the
2463 concerns I have with the decision with taxpayer money sitting
2464 dormant on a project that is nearly 60 percent complete, I
2465 have concerns with the impact that this will have in the
2466 realm of non-proliferation with Russia. I have seen comments
2467 from a former Russian official who said the decision to stop
2468 construction of this plant is a breach of the U.S./Russian
2469 agreement on this issue, and that Russia may decide to go
2470 their own way since the U.S. is not following through with
2471 its end of the deal. Do you--did you consider the
2472 ramifications when you made this decision? If so, why? If
2473 not, why? And if so, do you believe this is still the
2474 correct path forward?

2475 Mr. {Moniz.} First of all, those issues were very much
2476 a part of the discussion. And I do want to emphasize, we

2477 have not cancelled the MOX project. The--

2478 Mr. {Kinzinger.} The Russians think we have. So--

2479 Mr. {Moniz.} Well, I would just say discussions with
2480 Russia have changed in character over the last couple of
2481 months.

2482 Mr. {Kinzinger.} Understood.

2483 Mr. {Moniz.} So I did discuss this with Mr. Kirienko,
2484 head of Rosatom, twice, as I saw the costs going up, just
2485 saying look, this is just a heads up kind of thing. We will--
2486 -I don't know where we are going with that yet. But what I
2487 want to emphasize is that, as I said earlier, I think the
2488 lifecycle cost estimates are pretty much converging to this
2489 kind of 30 billion dollar number.

2490 Mr. {Kinzinger.} Okay.

2491 Mr. {Moniz.} And that is a big number. And I think it
2492 is a collective decision about what we can do.

2493 Mr. {Kinzinger.} Thank you. And I will just end with
2494 this, over the past decade, the EEU has pursued a broad range
2495 of climate policies, including renewable energy subsidies for
2496 wind and solar power. Those climate policies have led to
2497 high energy costs in Europe. In fact, I had some interesting
2498 conversation with some CEOs of European companies. And they
2499 are threatening the competitiveness of many of Europe's
2500 energy intensive industries. I just want to say in closing,

2501 I hope that raises red flags with you, and you take a look at
2502 kind of the European experience versus ours and act
2503 accordingly. Thank you for your time and being here, and I
2504 yield back.

2505 Mr. {Moniz.} Thank you.

2506 Mr. {Whitfield.} The gentleman yields back. At this
2507 time, I recognize the gentleman from Virginia, Mr. Griffith,
2508 for 5 minutes.

2509 Mr. {Griffith.} Thank you, Mr. Chairman. I appreciate
2510 that. Thank you so much for being here, Mr. Secretary.

2511 The Energy Policy Act of 2005 authorized the Clean Coal
2512 Technology Program and certain tax credits to assist
2513 development of the next generation clean coal technology,
2514 including carbon capture and sequestration. My understanding
2515 of what your discussion was earlier this morning with
2516 Congressman Doyle was that the DOE believes these projects on
2517 carbon capture and sequestration that are currently ongoing
2518 reflect technology that is already in or demonstrated as
2519 viable for commercial service in coal power plants. Is that-
2520 -am I correct in my understanding of your previous testimony?

2521 Mr. {Moniz.} Yes, they are mainly using solvent
2522 technologies that have been used before.

2523 Mr. {Griffith.} So here is the Catch 22. I am not sure
2524 I agree with you, because also, as Congressman Doyle pointed

2525 out, unless you happen to be like the Mississippi facility
2526 right down the road from the oil well where you are going to
2527 use the carbon to push up the oil that they may not be
2528 commercially viable. But the Catch 22 is that if that is
2529 accurate, the statute makes it clear that you are not
2530 supposed to be giving them money anymore. If they are
2531 commercially viable now, they don't need the support from the
2532 tax credits. But you are still giving them the tax credits,
2533 are you not?

2534 Mr. {Moniz.} The issue is that this is a system
2535 integration issue pursuing a new deployment of the whole
2536 system. So it is I would say quite eligible.

2537 Mr. {Griffith.} Well, I mean the problem is it says
2538 that this technology has to be well beyond the level therein
2539 commercial service or have been demonstrated as viable for
2540 commercial service. So you are in a Catch 22 because if they
2541 are in fact viable for commercial service, as both you and
2542 the EPA submit--

2543 Mr. {Moniz.} Um-hum.

2544 Mr. {Griffith.} --I happen to disagree they are not
2545 eligible for the money. If they are commercially viable,
2546 they are not eligible for the money. And so I would submit
2547 that you all need to figure that one out, either cut the
2548 money off or--and say that they are commercially viable, or

2549 admit that they aren't commercially viable.

2550 Mr. {Moniz.} Well--

2551 Mr. {Griffith.} And I don't know that there is an
2552 answer necessary for that. But that is the dilemma that we
2553 have is that if you are following the code, which I always
2554 think is the right thing to do--that is why we have a
2555 Congress. That is why we pass laws.

2556 Mr. {Moniz.} Agreed.

2557 Mr. {Griffith.} This is why we have a Senate and a
2558 House that pass them, and a President that signs them.

2559 Mr. {Moniz.} Um-hum.

2560 Mr. {Griffith.} Is because we actually mean for people
2561 to follow them.

2562 Mr. {Moniz.} Um-hum.

2563 Mr. {Griffith.} If we follow the law, you can't have it
2564 both ways. You can't say they are commercially viable,
2565 therefore these new regs come into effect, or they aren't
2566 commercially viable, therefore they are eligible for the tax
2567 credits. I submit they are eligible for the tax credits, but
2568 that the EPA has got the cart before the horse and that you
2569 need to probably call their hand on it. That being said, let
2570 me move on because you can't respond. And I appreciate that.
2571 And I understand that. I am not offended by that.

2572 The EIA has reported in February that the number of coal

2573 fired power plant retirements will be higher than originally
2574 anticipated, and that an estimated 60 gigawatts of coal fired
2575 capacity will retire by 2020. Notably, EIA expects 90
2576 percent of the coal fired capacity retirements to occur by
2577 2016. Now, this means nearly 18 percent of all coal fired
2578 generation in the United States will retire in the next two
2579 years due to new regulations. Are you concerned--is the DOE
2580 concerned that the loss of these critical generation
2581 facilities in such a short timeframe will make it
2582 increasingly difficult to meet electricity demands as we move
2583 forward, putting reliability at risk?

2584 Mr. {Moniz.} First, I would just comment that I think,
2585 you know, the market forces with gas cannot also be dismissed
2586 in terms of what is happening with coal. But the analyses
2587 that I have seen suggest that reliability will certainly be
2588 preserved if this is what happens over these next years.

2589 Mr. {Griffith.} Well, and my concern is that I
2590 recognize that at some point, because of the regulations, gas
2591 is going to surpass coal. I may not like that, but that is
2592 where we are headed. And I also recognize that someday coal-
2593 -gas may be able to take up that slack. What I am concerned
2594 about is between today and that time period. I am concerned
2595 that next year, or in the winter of 2016, that we will see
2596 some real problems with this many coal plants being reduced.

2597 And I think that DOE ought to be concerned about that as
2598 well.

2599 Also, with all that new expenditure, closing down
2600 facilities--in fact, there are two different facilities--
2601 three different generators, but two facilities in my district
2602 alone that will be closing down. One of the ones that will
2603 close down, which is a third one I didn't--or a fourth one,
2604 depending on how you count them--that I didn't mention is
2605 converting to natural gas. But with all those expenditures
2606 having to be made by the power companies, it is reasonably
2607 expected that costs will go up as the power companies recoup
2608 their expenditures. Isn't that true?

2609 Mr. {Moniz.} I assume. I don't know the details of the
2610 rate case. But I assume that that would be the case.

2611 Mr. {Griffith.} And let me make an assumption, and you
2612 correct me if I am wrong. I would assume that you all are
2613 talking with EPA about any concerns related to reliability
2614 between the present and whenever natural gas can pick up the
2615 slack? But if we are going to lose 18 percent over the next
2616 2 years, that is a pretty significant cliff--

2617 Mr. {Moniz.} And--

2618 Mr. {Griffith.} --for the power companies to adjust to,
2619 is it not?

2620 Mr. {Moniz.} And with FERC.

2621 Mr. {Griffith.} And with FERC. Sure. But that is a
2622 big--that is a steep cliff, is it not? Eighteen percent of
2623 coal being gone when it is about 40 percent?

2624 Mr. {Moniz.} Well, 60 gigawatts to 2020 would be a
2625 substantial amount. But again, analyses that have been done
2626 suggest that reliability will be preserved. That is also at
2627 the ISO level a lot, those calculations.

2628 Mr. {Griffith.} I hope you are right. I yield back.

2629 Mr. {Moniz.} Thank you.

2630 Mr. {Whitfield.} The gentleman's time has expired. At
2631 this time, I recognize the gentleman from Colorado, Mr.
2632 Gardner, for 5 minutes.

2633 Mr. {Gardner.} Thank you, Mr. Chairman. And thank you
2634 to you, Mr. Secretary. And I join my colleagues in thanking
2635 you for your service as well.

2636 I have just a couple of questions for you. In May of
2637 last year, President Obama was quoted as saying he has to
2638 make an executive decision broadly about whether or not we
2639 export liquefied natural gas at all. What discussions have
2640 you had with President Obama regarding the issue of LNG
2641 exports?

2642 Mr. {Moniz.} Well, and we have discussed this,
2643 including recently obviously in the context of the situation
2644 in Europe at the moment. And at this stage, we are carrying

2645 through with the process and the strategy as has been
2646 practiced. And again, as I noted earlier, one should not
2647 dismiss the scale of what has already been at least
2648 conditionally approved prior to the FERC approval, because
2649 the 9.3 BCF per day is already essentially equal to the
2650 exports to Gutter, the world's largest LNG exporter.

2651 Mr. {Gardner.} But has the crisis involving Russia and
2652 the Ukraine influenced your decision making or your timeframe
2653 at all with respect to LNG exports?

2654 Mr. {Moniz.} A major issue there is if you look at our
2655 last Order, the Jordon Cove Order of last week I think it
2656 was, or the week before, the--there is a discussion of the
2657 international markets and putting LNG into international
2658 markets. But the major thing right now is we are going to
2659 have, as was announced--well, released--really announced last
2660 week and discussed again in Brussels yesterday, we are going
2661 to have, under the G7 umbrella, an energy minister's process
2662 that was going to look at our collective energy security.

2663 Mr. {Gardner.} So we are exporting our energy security
2664 to other nations to make that decision?

2665 Mr. {Moniz.} No, no, no, no. Quite the contrary.
2666 Obviously--

2667 Mr. {Gardner.} So the G7 will make decisions on whether
2668 or not we expedite LNG exports?

2669 Mr. {Moniz.} We are going to have a--no. We are going
2670 to have a meeting to discuss our collective interest in
2671 energy security. Now, obviously, the risks--

2672 Mr. {Gardner.} So we are waiting for the G7 to get back
2673 to us on whether or not we expedite LNG permitting?

2674 Mr. {Moniz.} Look, obviously, we are evaluating this
2675 ourselves--

2676 Mr. {Gardner.} But is--so are we waiting for G7
2677 signoff?

2678 Mr. {Moniz.} The process we are talking about--there
2679 was a meeting already yesterday. And--

2680 Mr. {Gardner.} Of the G7?

2681 Mr. {Moniz.} No. There was a meeting yesterday of ESEU
2682 Secretary Kerry and Deputy Secretary Poneman were there from--
2683 --that is from Energy--that is Poneman. And we will very soon
2684 be having a G7 process--

2685 Mr. {Gardner.} Let me just ask this, because I have a
2686 number of other questions, including whether or not you have
2687 taken the time to look at H.R. 6 in the House and whether or
2688 not you support the legislation making it easier to export.
2689 But I want to make this clear, so we are asking the G7
2690 whether or not it is in the world's interest to export LNG
2691 from the United States?

2692 Mr. {Moniz.} No. I did not say that. We are having--

2693 we will be having a discussion around the whole issues--the
2694 set of issues of energy security, what it means for us, what
2695 it means for them.

2696 Mr. {Gardner.} And permitting--

2697 Mr. {Moniz.} It is not--

2698 Mr. {Gardner.} Do you see issues coming out of that?

2699 Mr. {Moniz.} It is not an LNG export caucus.

2700 Mr. {Gardner.} Well, let me just ask you this then, are
2701 you basing determinations on LNG exports in part on those
2702 discussions with the G7 nations?

2703 Mr. {Moniz.} I would use that as an input going
2704 forward. Of course.

2705 Mr. {Gardner.} So is it the President's--is it the
2706 Administration's opinion that we will wait for G7 discussions
2707 before we approve further DOE permits?

2708 Mr. {Moniz.} No, I did not say that. No.

2709 Mr. {Gardner.} Well, I would like to know more about
2710 this, because I think it is alarming that we would wait for
2711 G7 nations for approval to export LNG.

2712 Mr. {Moniz.} Which is why I did not say we would wait.

2713 Mr. {Gardner.} You just said that part of your
2714 determinations would be made on discussions with G7.

2715 Mr. {Moniz.} As we go down the road, we--this is a long
2716 process.

2717 Mr. {Gardner.} To approve the permits is a long
2718 process?

2719 Mr. {Moniz.} Well, look, we have a public interest
2720 determination by law.

2721 Mr. {Gardner.} Should we or should we not expedite LNG
2722 permitting in this country?

2723 Mr. {Moniz.} We have been working expeditiously on a
2724 case by case basis, based upon substantial--

2725 Mr. {Gardner.} Could we do it faster than we already
2726 are?

2727 Mr. {Moniz.} --and making a public interest
2728 determination that we are required to make by law. If the
2729 law changes, we will follow the law.

2730 Mr. {Gardner.} Will the public interest determination
2731 weigh in part on the G7 discussions?

2732 Mr. {Moniz.} Not directly. That is our responsibility
2733 to do that.

2734 Mr. {Gardner.} But indirectly, the G7 discussions will
2735 weigh on a U.S. public interest determination?

2736 Mr. {Moniz.} Geopolitical issues have always been on
2737 the list of issues to address in the public interest
2738 determination. They are there. Now, obviously, discussing
2739 with our friends and allies energy security issues is part of
2740 a geopolitical consideration.

2741 Mr. {Gardner.} Is there any--

2742 Mr. {Moniz.} Which is balanced against things like
2743 domestic market considerations.

2744 Mr. {Gardner.} Is there anything in the law right now
2745 preventing DOE from a decision to approve all pending
2746 permits?

2747 Mr. {Moniz.} We--first of all, we cannot give approval
2748 until, at a minimum, the NEPA process is completed, which is
2749 at FERC.

2750 Mr. {Gardner.} DOE is waiting on FERC first before you
2751 make a decision? That is not what you mean?

2752 Mr. {Moniz.} Yes. The current approach is that we give
2753 a conditional--just to clarify. We have issued one final and
2754 six conditional approvals. There is only one final approval.
2755 That is the Sabine Pass Project in Louisiana. And they will
2756 start exporting in 2015. The additional six--and I have
2757 approved five of those--are conditional.

2758 Mr. {Gardner.} Conditionally--conditional.

2759 Mr. {Moniz.} Conditional approvals. They must also get
2760 NEPA process approval through FERC, although earlier--

2761 Mr. {Gardner.} But DOE--for your side, you don't wait
2762 for FERC to make their determination for your side to
2763 approve? You are saying that?

2764 Mr. {Moniz.} No. We have to wait. Yes.

2765 Mr. {Gardner.} Okay.

2766 Mr. {Moniz.} By law, we--

2767 Mr. {Gardner.} Right.

2768 Mr. {Moniz.} WE must have the environmental--the NEPA
2769 approval.

2770 Mr. {Gardner.} Right.

2771 Mr. {Moniz.} And just to clarify, because two other
2772 members mentioned this earlier, the one distinction is that
2773 there are now some applicants for deep water LNG. So that
2774 would not be FERC, but there would be an analogous MARAD
2775 determination that we would need to have on the environmental
2776 side.

2777 Mr. {Gardner.} I am running out of time here. In fact,
2778 I think I have run out of time. But another question, H.R.
2779 6, the Bill that we mentioned was in the House would provide
2780 expedited approval to World Trade Organization member
2781 nations. Wouldn't this Bill make your job easier and reduce
2782 the time required to wait for DOE, and indeed improve our
2783 geopolitical security around the world?

2784 Mr. {Moniz.} I think the choice is to Congress whether
2785 it wants to or not want to emphasize the public interest
2786 determination.

2787 Mr. {Gardner.} Thank you, Mr. Chairman. Thank you.

2788 Mr. {Whitfield.} Time has expired. At this time, I

2789 recognize the gentleman from Ohio, Mr. Johnson, for 5
2790 minutes.

2791 Mr. {Johnson.} Thank you, Mr. Chairman. And, Mr.
2792 Secretary, good to see you again.

2793 Mr. {Moniz.} Good to see you.

2794 Mr. {Johnson.} Thank you for being here. I would like
2795 to ask a few questions about the American centrifuge program
2796 in Piketon, Ohio, which I think you know is a couple of frog
2797 jumps away from my district border, just across the county
2798 line. I first want to ask you--and I think I know the answer
2799 to this, because I asked you this the last time you were with
2800 us. Do you still believe the U.S.--the United States needs a
2801 domestic enrichment capacity for national security purposes?

2802 Mr. {Moniz.} We need--for national security purposes,
2803 we need an American technology capacity for enrichment.

2804 Mr. {Johnson.} Okay. I think so, too. Over the last
2805 two years, the Department has invested 280 million to build,
2806 install and test the centrifuge machines needed to address
2807 this very critical national security purpose. Your
2808 Department actually owns the centrifuge machines and the
2809 support equipment. And testing over the past year has
2810 demonstrated its technical readiness. I understand that
2811 yesterday, when you testified before Energy and Water
2812 Development Subcommittee, you indicated that the Department

2813 was looking to use the transfer authority provided in the
2814 omnibus to fund the continued activities after the RD&D
2815 program concludes on April 15.

2816 Mr. {Moniz.} Correct.

2817 Mr. {Johnson.} This would avoid the major disruptions
2818 from job losses, industrial demobilization and operational
2819 stoppage, and will likely save the taxpayers money in the
2820 long run. I want to commend you for that--for pursuing this
2821 course of action. I do have a couple of questions though
2822 about the timing. First, the language in the omnibus states
2823 that before the Department can transfer the 56.65 million,
2824 DOE must first submit a cost benefit report on all the
2825 options for securing the low enriched uranium fuel needed for
2826 national security purposes and your preference. And most
2827 importantly, that report must cite--or must sit with the two
2828 relevant appropriation subcommittees for 30 days and receive
2829 their approval before you can initiate the transfer. So the
2830 clock must run for at least 30 days, but the current funding
2831 for the enrichment activities expires April 15. So you can
2832 see mine and others concerns with regards to the timing.
2833 First, how are you going to fund the continued operations
2834 after April 15 until the report has made it through the
2835 appropriations subcommittees?

2836 Mr. {Moniz.} We are working that assiduously at the

2837 moment. We think we can get through this.

2838 Mr. {Johnson.} But you are determined to get through
2839 it?

2840 Mr. {Moniz.} That is absolutely the intent.

2841 Mr. {Johnson.} Okay. Second, I know that yesterday you
2842 said your Department was working to expeditiously work to
2843 finish the report. But can you give us any more precise
2844 timeline on when the Department's cost benefit report and
2845 reprogramming request might be sent to Congress?

2846 Mr. {Moniz.} I would prefer to check back with the
2847 people and get--I can get back to you shortly after this--

2848 Mr. {Johnson.} Can you get back to me on--

2849 Mr. {Moniz.} Yes.

2850 Mr. {Johnson.} Okay. Thank you. Finally, I understand
2851 that there is about 10 million of funding that remains
2852 available for you to use from the 62 million that Congress
2853 appropriated in the fiscal year 2014 omnibus. Are you
2854 prepared to utilize those funds to continue operations and
2855 avoid a major disruption in the program to cover the gap
2856 until the transfer authority is received?

2857 Mr. {Moniz.} As I said, I think we have ways of getting
2858 through this period.

2859 Mr. {Johnson.} Okay. All right.

2860 Mr. {Moniz.} Right.

2861 Mr. {Johnson.} Well, as you can imagine, I have some
2862 concerned constituents that have received warn notices
2863 recently, and only want to ensure that we don't have any work
2864 stoppages. Anything that I can do to help move this process
2865 along, I want you to know that I stand ready to help.

2866 Mr. {Moniz.} Thank you.

2867 Mr. {Johnson.} I thank you for your leadership on this
2868 issue. Not only does this program support jobs for my
2869 constituents, but, as we discussed, it is vitally important
2870 for our national security. And I look forward to working
2871 with you on it.

2872 Mr. {Moniz.} I would just add that again, we are
2873 committed to preserving the technology in the IP. The
2874 management structure, for obvious reasons, may be
2875 transitioning.

2876 Mr. {Johnson.} Sure.

2877 Mr. {Moniz.} Yeah.

2878 Mr. {Johnson.} Now, shifting gears just a little bit,
2879 going back to the LNG export issue. You and I have discussed
2880 LNG exports. I co-chair the LNG export working group here in
2881 the House. Some report--some press reports have indicated
2882 that there has been potentially some kind of deal struck
2883 between your Department and Senator Stabenow. You know, she
2884 was opposed to liquid natural gas exports. She was putting a

2885 hold on one of your Committee's nominees coming through the
2886 Senate. And but now she has said hey, I am now more
2887 comfortable with what the Department is doing. Has there
2888 been some kind of deal struck between you and Senator
2889 Stabenow that we need to know about?

2890 Mr. {Moniz.} No, we--um-hum--

2891 Mr. {Johnson.} Because quite honestly, Mr. Secretary,
2892 and I love the work that you are doing, you and I have a very
2893 different definition of expeditiously, especially with all of
2894 the opportunities for job creation and energy independence.

2895 Mr. {Moniz.} Um-hum.

2896 Mr. {Johnson.} I just--I still fail to understand why
2897 it is taking so long to get these permits approved.

2898 Mr. {Moniz.} First, let me say, Senator Stabenow, of
2899 course, is by no means the only member of Congress who is
2900 concerned about the ramp rate of LNG exports. No one to my
2901 knowledge is--well, almost no one at least is arguing against
2902 LNG exports. It is this whole question of pace and
2903 cumulative impacts as it might have in terms of domestic
2904 prices for consumers and--

2905 Mr. {Johnson.} So has there been any kind of deal made
2906 between--

2907 Mr. {Moniz.} No.

2908 Mr. {Johnson.} I see.

2909 Mr. {Moniz.} So we have had--with her and with others,
2910 we have had discussions about what our process is and what
2911 the role is for cumulative impacts on the economy.

2912 Mr. {Johnson.} Okay.

2913 Mr. {Moniz.} Yeah.

2914 Mr. {Johnson.} Thank you, Mr. Secretary. I yield back,
2915 Mr. Chairman. Thank you.

2916 Mr. {Whitfield.} Yes, sir. And I am going to have some
2917 concluding remarks that I want to make. Maybe there will be
2918 a question or two in there. And then if you want to respond
2919 to it, you are free to do so. And certainly, Mr. Rush, as
2920 well.

2921 But I just wanted to comment on your response to Cory
2922 Gardner's question about his legislation, H.R. 6, conjured up
2923 in my mind what I am getting ready to say. You answered him
2924 by saying, you know, that is a legislative decision about
2925 whether or not the Congress will pass this legislation or
2926 not. And part of the animosity that is developed in the
2927 Congress with the President of the United States particularly
2928 has related to climate change. And particularly, when he has
2929 emphatically made it very clear that if Congress does not act
2930 in a way that I want it to act, then I am going to do what I
2931 want to do anyway. And the point that I would make is that
2932 Congress did act, in my view. Congress did not pass the Cap

2933 and Trade Bill. It was a Democratic controlled Senate that
2934 did not pass the Cap and Trade Bill.

2935 The House, last week, passed legislation. That was the
2936 first time ever that Congress gave EPA the authority to
2937 regulate greenhouse gases, CO2 emissions. Now, I am not
2938 going to get into the court--Supreme Court decision. But
2939 this legislation passed Congress giving EPA the authority.
2940 And we cannot get the Administration to focus on it. The
2941 President said he would veto that Bill. So I take it from
2942 that that if we don't do precisely what he wants on global--
2943 on climate change, that, as he said, he will go it alone.
2944 And many people in his Administration have said the same
2945 thing.

2946 And so when I look at the--and he is doing that by
2947 executive order, by executive actions. And when I look at
2948 the budget here, electric delivery and energy reliability,
2949 180 million dollars. Renewable energy alone, 1.3 billion
2950 dollars. And then when you look at the original legislation
2951 establishing the Department of Energy, it says the mission is
2952 to promote the interest of consumers through the provision of
2953 an adequate and reliable supply of energy at the lowest
2954 reasonable cost. And so many agencies of the federal
2955 government are totally focused on climate change. That is
2956 why so much money is going into that, even though it is

2957 contrary to the original mission statute.

2958 And the bottom line of it turns out to be this, when the
2959 EPA issued that greenhouse gas regulation, which in effect
2960 makes it impossible to build a new coal plant in America--and
2961 I agree with you, Mr. Secretary, no one is getting ready to
2962 build a coal plant in America, because the natural gas prices
2963 are so low. But what if we find ourselves the way Europe has
2964 found themselves, the gas coming from Russia is so expensive
2965 that last year, Europe imported 53 percent of our coal
2966 exports, and they are building coal plants. So if our
2967 natural gas prices start going up, we don't have the option.

2968 And then next year, 2015, they are going to be coming
2969 out with a regulation on existing coal fired plants, in
2970 addition to the utility MAC, in addition to the new. So we
2971 have genuine concerns about our ability to compete in the
2972 global marketplace. And we are moving so fast. The
2973 President's pushing so hard. I agree with Professor
2974 Turlington over at George Washington University who said the
2975 President is becoming a government into himself. So I just
2976 want to make that comment. And you may not agree with me on
2977 this, Bobby.

2978 Mr. {Rush.} I certainly don't agree with that.

2979 Mr. {Whitfield.} But let me just conclude by saying
2980 thank you for being with us. We look forward to continued

2981 work this you on a lot of issues affecting our country. And
2982 we appreciate your being available all the time.

2983 Mr. {Moniz.} Thank you.

2984 Mr. {Rush.} Mr. Chairman, I just want to say, I don't
2985 agree with you on this. And I very rarely agree with you.
2986 So it is not out of the question that I don't agree with you
2987 right--at this present time. I think your characterization
2988 of the President is totally inadequate. And--so but we have
2989 had disagreements for a long time now. And I don't think
2990 either one of us is going to change our opinion about our
2991 President.

2992 Mr. Secretary, one area that DOE can have a direct
2993 impact in helping to increase minority engagement is in the
2994 17 publicly funded national research labs, and in areas of
2995 contracting and management and operations, technology
2996 transfers. I am finding that most of these labs are mostly
2997 failing in their outreach and partnerships with historically
2998 black colleges and universities, minority serving
2999 institutions, as well as minority contractors and
3000 entrepreneurial and in the whole are of minority engagement,
3001 they are willfully lacking in. I mean, almost
3002 heartbreakingly lacking you look at them--you look at the
3003 lineup and you visit these places and you see no diversity at
3004 all. And having seen diversity therein in decades, and some

3005 of them never had any diverse top level staffing and
3006 leadership. And I think that, as you indicated earlier,
3007 maybe the problem is a lack of minorities in key leadership
3008 positions, most--at the labs and maybe even at the Department
3009 itself. What do you think are some of the obstacles that we
3010 are--that we must overcome, some of the prohibitions? And is
3011 your Department sufficiently diverse to--in the decision
3012 making process to allow for more diversity in leadership--not
3013 only in the Department but in these labs? I mean, these labs
3014 are just enormous public taxpayer dollars. And some of them
3015 have--don't even remotely reflect any attempt at diversity.
3016 And I am really concerned about that. So can you give me
3017 some idea about how you--what you--how you view the problem?
3018 And I know we have had this discussion many times, you know,
3019 but I want to just refresh the discussion.

3020 Mr. {Moniz.} The--first of all, I think it is important
3021 that it is clearly understood that the Secretary considers
3022 this a priority. And we are promulgating this. We have
3023 raised it with the lab directors. And they have responded
3024 enthusiastically. Now, we have to do something about it.
3025 But they--frankly, when I raised this at the laboratory
3026 policy counsel, the reaction of the lab directors was God,
3027 you are right. We just got--we have to do this. So that is
3028 a good start. But that is only a start. Number two, we have

3029 just in the last month, by the way, including at Argonne, in
3030 your neck of the woods, appointed lab directors. In each
3031 case, we went through very carefully the nature of the
3032 search, its openness, et cetera. And, frankly, while the
3033 candidates--those appointed themselves did not increase the
3034 diversity, each one of the three made very, very strong
3035 commitments to look at this.

3036 I think that what has been missing--and I am talking in
3037 the laboratory system. And the lab directors have responded
3038 very positively on this, is we need to--it is not that it is
3039 totally missing, but it is--we are not up to snuff in terms
3040 of what I would call leadership development programs. That
3041 it is not only for diverse candidates, but includes a focus
3042 on diversity of understanding--I think as many corporations
3043 do extremely well. They are--you are always looking to how
3044 you develop the leaders in the organization so that you have
3045 people who can come up. So that is a focus that we are going
3046 to advance, and we have started. But we have a long way to
3047 go.

3048 Mr. {Rush.} Mr. Secretary, I really look forward to
3049 working with you and see--as you well know, I am very
3050 passionate about this issue. I--and so I look forward to
3051 working with you on this issue.

3052 Mr. {Moniz.} Great.

3053 Mr. {Rush.} And, Mr. Chairman, I look forward to us
3054 having a discussion in terms of having a hearing on these and
3055 other matters.

3056 Mr. {Whitfield.} Yeah. Yeah, and we are going to be
3057 setting down the next couple of days on your legislation,
3058 because our staff has been working together. But--well, that
3059 concludes today's hearing. Mr. Secretary, thank you once
3060 again. And thank you for your staff and all of your time and
3061 availability.

3062 Mr. {Moniz.} Thank you.

3063 Mr. {Whitfield.} And the record will remain open for 10
3064 days. And with that, the hearing is adjourned.

3065 [Whereupon, at 12:55 p.m., the subcommittee was
3066 adjourned.]